

**HOW MANY ARE  
UNEMPLOYED?**

*by Boris Shishkin*

**THIEVERY  
UNDER THE FHA**

*by Harry C. Bates*

**GUATEMALA SMASHES  
FREE UNIONS**

*by Ruben D. Villatoro*

**UNION WAGES  
IN 1954**

*by Seymour Brandwein*

It is LIBERTY alone that gives the flower  
Of fleeting life its luster and perfume,  
And we are weeds without it.

—William Cowper.

**A REPORT ON  
THAILAND**

*by Richard Deverall*

**HAT CAN UNIONS DO  
TO IMPROVE SAFETY?**

*by P. L. Siemiller*

**WHO IS THE  
ARBITRATOR?**

*by M. Herbert Syme*

MAY 1954  
TWENTY CENTS

*The American*  
**FEDERATIONIST**

UNIVERSITY  
OF MICHIGAN

MAY 26 1954

PERIODICAL  
READING ROOM



# **HELP BUILD YOUR UNION**



Millions of Americans belong to unions today. At the same time, millions of other working people are not yet members of the great family of organized labor. These unorganized men and women need union wages, job security and all the other important benefits of effective trade unionism. You know some of these unorganized working people. Talk to them. Tell them why they ought to belong to a union. Answer their questions. Let them read your labor periodicals. And when they decide that they want to become identified with organized labor, take them down to the union hall. Do your part, day by day, to build your union. Labor's job of organizing the unorganized is a most important job. Will you help?

# The American FEDERATIONIST

Official Monthly Magazine of the American Federation of Labor

MAY, 1954

GEORGE MEANY, Editor

Vol. 61, No. 5

## In This Issue

HOW MANY ARE UNEMPLOYED?.....	Boris Shishkin	3
THIEVERY UNDER THE FHA.....	Harry C. Bates	7
WHO IS THE ARBITRATOR?.....	M. Herbert Syme	9
UNION WAGES IN 1954.....	Seymour Brandwein	10
MEMPHIS LABOR HAS PLENTY OF KNOW-HOW.....		11
HANDICAPPED WORKERS ARE GOOD WORKERS.....		12
EDITORIALS .....	George Meany	14
WHAT CAN UNIONS DO TO IMPROVE SAFETY?...P. L. Siemiller		16
THE CRISIS IN INDO-CHINA.....	Phan Quan Dan	18
SPRING CONFERENCE IS HELD IN WASHINGTON .....	John D. Connors	19
COLLEAGUES HONOR WILLIAM COLLINS.....		20
A REPORT ON THAILAND.....	Richard Deverall	21
MAC GOWAN RESIGNS AS BOILERMAKERS' PRESIDENT.....		22
GUATEMALA SMASHES FREE UNIONS.....	Ruben D. Villatoro	23
LABOR NEWS BRIEFS.....		25
INSIDE BIG BUSINESS.....	Bert Soldman	30
WHAT THEY SAY.....		32
JUNIOR UNION STORY.....	Annabel Lee Glenn	Cover

## The Basic Issue

It is vain to debate the relative importance of Asia and Europe in the strategy of opposition to communism. We cannot afford to indulge the luxury of a choice between the two. Nor can we safely concentrate on any one set of weapons—military, economic, political or moral—in this conflict. Both areas are vital and all the weapons we can muster are needed.

The basic, all-pervading issue today, on which there can be no disunity, is the clear and unmistakable one of survival versus extinction. To relax our efforts and to indulge the comfortable illusion that the worst might be past would be to court extinction. To concentrate our forces unwisely, or to seek refuge in grand isolation, would be to assure it.

The dangers we face are impartial and non-partisan. Democrats and Republicans, liberals and conservatives, workers, farmers and industrialists—all share the common risk. The chains that are forged in Moscow are designed to fit all groups and individuals, without favor or privilege. We shall all be enchained together unless we prove capable of united resistance.

The constant threat of attack by the forces of communism should be apparent to all. What is not so apparent is where the next blow is likely to fall and what form it will take. We can only be sure that it will probably strike at what the Kremlin considers to be our point of greatest weakness, wherever that might be at any given time.

We must develop a system of working unity with all the free nations of the world, in Asia as well as Europe. We must expand our programs of economic assistance and development, so as to give the masses of the world a genuine stake in freedom and to demonstrate the superiority of democracy over Communist despotism.

These primary tasks are sufficient to absorb all our energies and resources for a long time to come. They will require foresight, sacrifice and courage of a high order. The price is high, but no price is too great to pay for the preservation of human decency, liberty and world peace.

William Green, April, 1951.

Published monthly by the American Federation of Labor at the A. F. of L. Building, Washington 1, D. C. Printed in Washington. Editor—GEORGE MEANY. Managing Editor—BERNARD TASSLER. Subscriptions, \$2 a year in U.S. and Canada. Other rates on application. Entered as second-class matter at Washington and accepted for mailing at special rate of postage provided in Section 1103, Act of Oct. 3, 1917. No paid advertising accepted. Material appearing in this magazine may not be reprinted without prior written permission.



i  
a  
P  
t  
h  
  
n  
h  
e  
c  
u  
t  
w  
n  
  
e  
n  
F  
th  
p  
O  
se  
a  
of  
M  
sa  
m  
an  
fe  
an  
ua  
th  
ha  
in  
cu  
en  
  
ur  
ha  
kn  
so  
ne  
  
pu  
co  
an  
wi  
ate  
joi  
  
MA



# How Many Are Unemployed?

By **BORIS SHISHKIN**

*Director of Research,  
American Federation of Labor*

**T**HE eyes of the world are watching intently every indication of employment and unemployment in the United States. For America's ability to maintain a high level of employment and to keep unemployment to the minimum is the master gauge of her economic strength.

Yet the reports supplied by government sources to provide a factual basis for the appraisal of these vital employment changes are by no means clear-cut. The gauges used to measure the trends were themselves retooled and adjusted just at the time when a continuous count was most needed.

Three things have happened on the employment front in the last seven months. First, between October and February unemployment registered the sharpest rise since the great depression, increasing by some 2,500,000 in four months. Second, the seasonal increase in employment and a corresponding drop in the number of unemployed failed to materialize in March. Third, the revisions in the sample surveys measuring employment and unemployment underwent an overhaul, producing a wide difference in figures yielded by the old and new samples, published since January. This has blurred the picture of the real sequence of events. It also has given rise to much free-wheeling, in and out of government, in the discussions and interpretations of the employment situation.

At this writing, official April figures have not yet been released. We have enough evidence, however, to know that, despite the belated seasonal pickup in employment, joblessness continues to be heavy.

When the April figures are made public, the several statistical series compiled by the Department of Labor and the Department of Commerce will, for the first time, be incorporated in a combined report published jointly by the two government de-

partments. Putting these reports under one cover will not, of course, clear up the real problems involved in the failure of the government, abetted by a penny-pinching Congress, to provide the country with a compre-



**MR. SHISHKIN**

sive, clear and reliable count of employment and unemployment.

To understand these reports and the facts behind them, let us first take a brief look at the recent changes in employment and figure out what they mean.

With population increasing at a rate close to 3 million a year and employment at full or near-full levels, growth has been reflected in all these indicators until about a year ago.

## **Labor force shrinks**

Between July 1953 and January 1954, the civilian labor force declined by some 2 million—a drop twice as great as a normal seasonal change could explain. By March 1954 the civilian labor force was still nearly a million smaller than the June-July level of 1953. There was

no doubt that many workers, though not counted as unemployed, were without jobs. If they were not looking for work, it was only because there were no jobs to be had in their communities, as would be the case in one-industry towns.

It was also evident that overtime work was being curtailed, beginning over a year ago. Weekly hours in manufacturing, which averaged 41.1 in March 1953, were down to 39.4 in March 1954.

## **Decline in employment**

In the meantime, employment, as reported by the Census, reached a peak of 63.4 million in August 1953. A sharp drop followed, bringing the total down to 59.8 million or 3.6 million lower in January 1954. By March 1954, employment was still at 60.1 million, or 3.3 million below the August 1953 level.

With farm employment showing a fairly normal decline from last September to March, non-agricultural employment, as counted by the Census, dropped by nearly 2 million.

The Census includes, in its count of non-agricultural workers, proprietors, self-employed and domestic servants. The Bureau of Labor Statistics also estimates non-agricultural employment, but its estimate extends over smaller coverage, excluding these three groups. Yet the BLS figures show a substantially greater decline in non-farm jobs during the same period. Its count shows a drop from 49.7 million employed in September 1953 to 47.3 million in March 1954, or a loss of 2.4 million. Manufacturing, according to the Bureau of Labor Statistics, accounted for nearly 1.4 million of this drop.

## **How much unemployment?**

In this age of world-shaking scientific discoveries made possible by the most complex computations, this age of the "Univac" and other forms of "electronic brain," this age of statis-

tics with their widespread and ingenious use ranging from market analysis to sex behavior, it is distressing to have to admit that our unemployment statistics are still developed with horse-and-buggy methods.

Until this year the Bureau of the Census estimated monthly changes in unemployment for the country as a whole from interviews conducted in only 68 areas covering 123 counties. These sample surveys not only provided inadequate coverage but also suffered from the faulty makeup of the questionnaires used in the door-to-door interviews, inadequate instructions given to interviewers as well as from poor supervision given these interviewers.

While the Census Bureau or the Commerce Department in which it nests has lacked either the inclination or the gumption to insist on a comprehensive periodic enumeration of unemployment and on the funds needed for the purpose, it did undertake last August a modest revision of its sample surveys of unemployment. The sample was enlarged to 230 areas covering 450 counties. Some improvements were made in the enumeration methods, although these can by no means be called adequate. Just how far the Census was straying in its old estimates is seen from its official guess that the estimates based on the old sample understated unemployment by 6 per cent last September, 19 per cent in November and 31 per cent in January.

Working back from its January 1954 survey, the Census has now made public these revised figures of how unemployment has stacked up since last August:

1953	August .....	1,240,000
	September .....	1,321,000
	October .....	1,301,000
	November .....	1,699,000
	December .....	2,313,000
1954	January .....	3,087,000
	February .....	3,671,000
	March .....	3,725,000

These Census figures show that between October 1953 and March 1954 unemployment nearly trebled. They also show that in March 5.8 per cent of the civilian labor force, or nearly 6 out of every 100 workers in the labor force, were unemployed.

How accurate is the picture of unemployment provided by these Census figures? We have already seen

that Census figures are not the result of enumeration. They are an estimate. They are subject to serious limitations of a sample survey based on personal interviews. They are also affected by considerable faults present in the conduct of these surveys.

Despite all these shortcomings, the Census estimates are the best figures we have that can provide us with at least a rough approximation of changes in unemployment. The good faith in the preparation of the Census surveys or estimates has not been questioned.

We do question, however, and quite properly, whether the *definition* of who is unemployed and who is employed, on the basis of which the Census reports are made, is either realistic or proper.

The purpose of the unemployment estimate is to determine the extent of *economic* unemployment. What such an estimate should show at any given time is how many workers who are available for employment and want jobs cannot find employment and are without work or wage income.

Yet, under the Census definition, many workers who are without actual employment or income through no fault of their own at a given time are counted as *employed*. In March 1954, for example, the Census estimated 3,725,000 as unemployed. The Census, following its definition, left out of this unemployment figure a substantial number of workers without work and wage income.

In March 1954, according to the Census' own figures, there were 236,000 workers who had been laid off but had a definite promise that they would be called back to work within thirty days. These people were not working. They were not drawing pay. Yet, instead of being classed as unemployed, they were counted as employed.

The same was true of people who were not actually at work but had a promise of being put on a new job within thirty days. The Census put their number at 92,000 in March. They, too, were neither working nor drawing pay. Yet they were classed as employed and excluded from the unemployment count.

Workers in such employment as building construction or other outdoor work, who are generally paid by the hour, are often not at work and earning no pay because of bad

weather. The Census counted 46,000 such workers in its March report (an underestimate in this case). These workers as well were excluded from the unemployment figure and counted as employed.

Persons in these three categories, who at the time of reporting were out of work and out of pay, should be counted as unemployed. In March 1954 there were 374,000 in these three categories. If we add them to the official estimate of 3,725,000 unemployed, the March unemployment figure would increase to 4,099,000.

In addition, there is a large number of workers who are at any given time moving from one place to another, one job to another, and even from one occupation to another. They, likewise, are not at work and are not earning a living. Most workers in this group escape the Census count altogether. Some are incorrectly counted as employed.

While we have no precise figures on the number of workers in this "float" of unemployed, it would be a conservative estimate to put this additional class of unemployed, with other miscellaneous categories not counted by the Census, at not less than 500,000 for March 1954. The best approximation of *economic* unemployment in March 1954, therefore, would be represented by the following figures:

Unemployment as defined by Census.....	3,725,000
Laid off, and not on job	236,000
Expecting employment, but not working....	92,000
Unemployed because of bad weather.....	46,000
Floating and miscellaneous unemployment	500,000

Total economic unemployment ... 4,599,000

It is this total of almost 4,600,000 unemployed in March that must be relied upon in evaluating the economic significance of unemployment at that time. Revealing as it does that at that time 7.2 per cent of the civilian labor force was unemployed, this figure indicates the magnitude of the economic problem raised by this level of unemployment. And in further evaluation of economic trends the categories included in the breakdown we have used should be included in the count of the unemployed.

## Partial unemployment

Apart from the categories omitted from the Census estimate of those completely unemployed, it is important to consider the number of workers who, although employed part of the time, were reduced to partial idleness because of lack of full-time employment.

The Census estimates that last March, in addition to those totally unemployed, about 2,500,000 non-farm workers were on part-time schedules due to slack work, job turnover and a number of other economic factors.

Taking only those non-farm workers who usually work 35 hours a week or more on their jobs, in the second week of March 1,700,000 were working only part-time involuntarily—400,000 more than in December. According to the Census, in addition to these workers with full-time or nearly full-time jobs who were on short-time because of economic factors, 800,000 others on part-time work "wanted and could have accepted" full-time employment.

This involuntary short-time employment represented a heavy loss of time and a corresponding loss of earnings for the workers affected. This involuntary partial unemployment represented an equivalent of close to 1,000,000 full-time jobs.

## Duration of unemployment

The length of time the worker remains without a job provides an important bearing on policies needed to

## Who Was Who in America—March 1954

*As shown in the table at bottom of the page, of the U.S. population of 161.5 million in March 1954, about 116 million made up our non-institutional population of over 14 years of age. Of these, there were 48.7 million classed as "not in the labor force," including those in school, housewives, retired persons, those unable to work, those engaged in incidental unpaid family work of less than 15 hours and those without jobs and not seeking work.*

*Everyone else, whether employed or unemployed, is counted as being in the labor force, which in March totaled 67.2 million, including 3.4 million in uniform. Excluding the armed forces, the civilian labor force numbered 63.8 million. Of these, 60.1 million were counted as employed and 3.7 million as unemployed.*

deal with unemployment and to relieve the distress of workers subjected to enforced idleness. The Census Bureau's figures, defining unemployment as narrowly as they do, show that the duration of joblessness has been increasing.

In February 1954, according to the Census, the average unemployed person had been without work for 9½ weeks, while in March the unemployed had on the average 12 weeks of joblessness behind him.

Of the 3,725,000 reported by the Census as unemployed last March, 1,008,000, or 27.1 per cent, had been jobless for 15 or more weeks. This was an increase of 400,000 over the preceding month. It should also be noted that 267,000 of the March unemployed had been without jobs more

than 26 weeks. For workers in this group the going was the toughest, as the duration of their unemployment made them no longer eligible for unemployment benefits.

Unemployment compensation, inadequate as it is in enabling workers to make ends meet, is the last economic cushion for the worker forced into joblessness. When unemployment compensation runs out, only such relief as the local community can provide is available to keep such a worker and his family going.

Even the workers with maximum eligibility for unemployment insurance benefits cannot draw compensation beyond 26 weeks under even the most liberal state unemployment compensation laws. There is, therefore, a growing number of workers who

## Population and Employment in the U.S. 1947-1953 and in Specified Months of 1953-1954

	1947	1952	1953	March 1953	July 1953	Oct. 1953	Jan. 1954*	Jan. 1954**	March 1954**
Total population.....	144.0	157.0	159.6	158.8	159.6	160.4	161.1	161.1	161.5
14 years old and over <sup>1</sup> ..	107.5	113.1	115.0	114.8	115.1	115.4	115.7	115.7	115.9
Not in labor force....	45.9	46.7	48.1	48.1	46.9	48.5	50.1	49.4	48.7
Total labor force.....	61.6	66.4	67.0	66.7	68.3	67.0	65.6	66.3	67.2
Armed forces.....	1.4	3.4	3.6	3.6	3.6	3.6	3.5	3.5	3.4
Civilian labor force..	60.2	63.0	63.4	63.1	64.7	63.4	62.1	62.8	63.8
Total employment	58.0	61.3	61.9	61.5	63.1	62.2	59.8	59.8	60.1
Non-agricultural	49.8	54.5	55.4	55.5	55.5	55.1	54.4	54.5	54.2
Agricultural...	8.3	6.8	6.5	5.9	7.6	7.2	5.3	5.3	5.9
Unemployment...	2.1	1.7	1.5	1.7	1.5	1.2	2.4	3.1	3.7

<sup>1</sup> Non institutional.

\* Series based on old sample: 68 areas covering 123 counties.

\*\* Series based on new sample: 230 areas covering 450 counties.



are being thrown on relief because the duration of their unemployment has outrun the maximum eligibility for compensation.

That is why we find that in Kentucky, for example, according to a recent report, one out of every twenty Kentuckians was getting food from relief offices.

### **Insured unemployment**

Significant light on the extent and geographical distribution of unemployment is thrown by the figures provided by the Bureau of Employment Security, showing the number of workers receiving unemployment insurance benefits. Insured unemployment began to move upward last September. It went into a steep climb between October and January, more than doubling during the three-month period. The climb nearly leveled off between February and April. In the week ended April 17, however, insured unemployment, which then stood at 2,206,209, showed another rise of 2.5 per cent.

Although initial claims reported for the week of April 17 showed a drop of 5.5 per cent below the preceding week, the very fact that 304,987 first claims for unemployment compensation were reported in that week made it clear that unemployment still persisted. Normally, a seasonal rise in employment at this time would have drastically cut down the number of new claims.

It should be noted also that the Bureau of Employment Security reports fail to show the number of workers who have exhausted their unemployment compensation rights and are no longer drawing benefits although they are still unemployed.

### **Labor surplus areas**

The Bureau of Employment Security makes available monthly surveys of labor supply in 149 of the country's major industrial areas and in a number of smaller areas. In March of last year 17 areas reported a substantial labor surplus. In March 1954 there were 34 areas reporting a substantial surplus and by the end of April there were 35. In March 1953 there were 18 smaller areas reporting a substantial surplus of workers. In March 1954 there were 46

such areas and in April there were 58.

### **Turnover rates**

Figures on hiring and layoff rates in manufacturing, supplied by the Bureau of Labor Statistics, also help in understanding the changes in the employment picture.

In March 1954 manufacturing industries added 28 new workers for every 1,000 on their payroll. This compared with the rate of 25 new hires per 1,000 in February, or a 12 per cent increase in the hiring rate.

Although March hires showed some improvement over the preceding month, this March hiring rate was, nevertheless, the lowest for this month since the end of World War II. It was 36.5 per cent below the rate for March 1953.

At the same time the March 1954 layoffs rose to 23 per 1,000, as compared with 22 per cent in February—an increase of about 4.5 per cent. Although the March factory hires increased more than the layoffs over the preceding month, almost

three times as many workers were laid off in March 1954 as in the same month of the preceding year.

June 1953 was the last month in which factory hires ran ahead of all separations. All separations in factories—separations include layoffs, discharges and quits—exceeded hires two to one in December 1953. In March 1954 the rate for all separations was still far ahead of the hiring rate, with 38 separations per 1,000 against 28 hires per 1,000.

### **Man-hours**

Another check on intensity of productive employment is provided by the Bureau of Labor Statistics in the form of an index of weekly man-hours. This simply shows the percentage change in man-hours (num-

ber of men working times number of hours worked per week) worked per week as compared with the average for 1947-1949.

In March 1953 weekly man-hours in manufacturing were 15.2 per cent above the 1947-1949 average. By March 1954 the number of man-hours worked in manufacturing dropped back to the 1947-1949 level. This reflected an even bigger drop in hours worked in durable goods production. This latter included a sharp cutback in the number of man-hours employed in the production of ordnance and accessories: in July 1953 man-hours worked on this production were seven times greater than in 1947-1949, but by March 1954 they had dropped to only five times the 1947-1949 average.

### **Time to call the turn**

We have seen that, in addition to the unemployment officially estimated by the Census, there is considerable joblessness, both visible and concealed.

Last March the total number of workers subjected to economic unemployment approximated 4,600,000. In addition, there was a large number of workers partially unemployed. Their aggregate loss of employed time was roughly equivalent to 1,000,000 workers fully unemployed.

These are the conclusions derived from a close analysis of piecemeal bits and pieces of data provided by the limited surveys and reports of the government agencies concerned. It is time for Congress to decide that America must have and can afford a more complete and more direct periodic enumeration of unemployment. But there is more than ample evidence at hand showing that unemployment has already reached major proportions. The facts we now have show that it is high time for Congress and the Administration to take courageous action to help reverse the unemployment tide.



### **UNEMPLOYMENT SEEN RISING**

Even if business activity picks up, unemployment can be worse a year from now and may approach 6,000,000 by next February, according to *Fortune*, the expensive businessmen's magazine. *Fortune* says in its current issue that productivity can be expected to start climbing soon from its present average increase of about 3 per cent a year. The magazine points out that "from 1948 until the outbreak of the Korean war, productivity rose over 6 per cent a year." According to *Fortune*, as many as 3,000,000 workers could be displaced "should productivity spurt again this year."



# THIEVERY Under the FHA

By HARRY C. BATES

Chairman, Housing Committee,  
American Federation of Labor

**R**ECENT disclosures of corrupt practices in the operation of the system of government mortgage insurance entrusted to the Federal Housing Administration have revealed a number of ways in which the public and the government have been fleeced of hundreds of millions of dollars by sharp operators.

Tenants have been gouged by landlords through exorbitant rents. Homebuyers have been bilked by builders who falsified construction costs in order to reap inflated profits. Workers have been cheated out of standard pay prevailing in the community by non-union contractors who, at the same time, did not hesitate to claim that their labor costs were based on union rates. The difference went into the pockets of these non-union builders.

Architects, too, have seen charges—claimed as fees paid to them—stick stubbornly to the builders' pockets. This also was a simple way to easy money. The FHA readily allowed a flat 5 per cent charge by the builder for architect's fees. The developer or builder, using standardized designs or keeping an architect on his own payroll, could hold the architect's costs to 1 per cent, pocketing \$4 for every \$1 actually spent for architect's services.

With most builders actually serving as lenders at the same time, many operators, in addition to the interest they collect on the loan, could pile these extra charges on top of the usual allowance of 5 per cent for contractor's profit, plus a charge of 2 to 3 per cent for contractor's overhead, which often would be twice as much as the actual overhead cost.

Practices of this kind made it possible for the builder-lender to pyramid quickly unconscionable profits at the expense of the home-seeking family and the government. The loose and one-sided language of the law

creating the FHA, written to help the builders and mortgage lenders rather than the consumers, readily enabled all those who would to profiteer with impunity and within the letter of the law.

Speculation and profiteering have persisted from the beginning under various types of mortgage loan insurance provided by the FHA. It became especially flagrant under Title VI of the FHA law, first adopted during World War II to give greater encouragement to the construction of privately financed defense housing. The federal loan guarantee was made more liberal. But not until Section 608 of the law, providing for multiple-unit apartment housing, was amended in 1946 was the way opened to fraudulent appraisals and outrageous windfall profits at the expense of the home-hungry veteran and the taxpayer.

**T**HE American Federation of Labor was fully aware of this danger when the legislation was being considered in 1946. In testifying before the Congressional committees at that time, I said:

"We reiterate our vigorous opposition to the extension of Title VI. We believe that the form in which this Title is proposed will do nothing but fleece the veteran and the taxpayer by having the federal government underwrite mortgage loans at excessive interest rates for emergency-built homes of questionable quality, financed without any risk to the lender.

"What justification is there for a 4 per cent interest rate when a 90 per cent commitment by the government gives the lender an effective 100 per cent guarantee and renders the loan absolutely riskless? \* \* \* Clearly, then, this provision is designed to benefit not the veteran but the speculative builder."

The recently published findings re-

vealed that wrongdoing under Section 608 has exceeded our worst expectations. In addition to all the practices already named, other ways to profiteer were possible under the umbrella of the FHA system. Senator Paul H. Douglas of Illinois described some of these in a Senate speech a short time ago:

"Then there is the matter of land value, which was a real estate rainbow with a handsome pot of gold at either end. This was because the amount of the mortgage included the value of the land after the FHA commitment had been made.

"The mortgagor-builder would buy raw land. He would get a commitment from the FHA for an FHA mortgage. The value of the land would immediately jump to about five or six times its original cost.

"Then the appraisers of the FHA would count as the value not the cost of the land but the value of the land after the commitment had been made. So that in practice, even if the costs of a given builder were 'normal' or 'average,' what frequently resulted was that the size of the mortgage and the amount of money which he obtained was in excess of the actual out-of-pocket costs which he had incurred.

"Frequently the mortgagor bought land, got an FHA commitment for coming and taking the money away.

"There were other ways of milking profits out of Section 608 mortgages. For example, a standard 12 to 18 months building period was allowed by FHA. Many mortgagors were able to build in six months. In this way they were able not only to save on allowable labor costs and carrying charges but also to get from six to twelve months' free rent, which the FHA did not consider in setting rent levels on these projects.

"In addition, necessary current cost was estimated by the FHA on the basis of what it would cost the

average or typical builder to put up the project. Most experienced contractors were able to cut corners and cut their actual costs far below the FHA estimates, and these savings added to the profit on the mortgage."

**P**ROFITEERING under the FHA has been by no means confined to rental housing under Section 608. There has been much of it under other FHA programs. Some of the worst practice of outright fraud has been disclosed in the handling of the FHA-insured modernization and improvement loans under Title I of the law.

The FHA, maintaining that it deals only with the lending institutions, has refused to investigate such loans or verify whether they have been made in good faith. The lender, protected by government insurance on the loan, has likewise shown little disposition to find out what the money was used for.

In this way the FHA insured loans on new kitchens that were never built or readily underwrote \$2000 loans that covered the installation of a \$500 piece of equipment. The FHA interest rate—lower than the 6 per cent bank rate—thus could be obtained under long repayment terms for a loan to buy a car or a motorboat, to start a business or for any other purpose.

Although labor has called for remedies again and again, so far Congress has done nothing to prevent these and other abuses. The combined pressure of the lobbies of the homebuilders, real estate operators and mortgage lenders has been too great to permit corrective amendments sought by the A. F. of L. But today the country is aroused. This is the time to prevent such wrongdoing in the future. It is also the time to provide rightful restitution to tenants of projects built under Section 608 who have been forced to pay rents as much as 25 per cent higher than the justified monthly charge.

The A. F. of L. recommendations for changes in the law would go a long way toward correcting the worst wrongdoing now possible under the FHA. Here, briefly, are the A. F. of L. proposals which I submitted to the Senate Banking and Currency Committee on April 30, 1954:

**(1) Mandatory Builder's Warranty**

This proposal, originated by the

A. F. of L. a number of years ago, once won the approval of the House, but its final enactment has always been blocked. It simply requires that every builder of FHA-insured housing or receiving other financial assistance under the program should be required to sign a builder's warranty against structural defects that may develop within the first two years after completion.

For the average family, purchase of a home usually involves investment of its entire savings. It represents a much more important financial undertaking than any other purchase. Yet while the consumer is protected by a warranty in many of his household purchases, he has no comparable protection when he invests his savings in a home. Home purchasers must have this minimum protection of their investment.

There is no valid reason why it should not be possible to institute a workable and effective requirement for a builder's warranty. Such a warranty should be included among the closing documents required by the FHA and VA before commitment to insure or guarantee is issued.

**(2) Safeguards Against Fraud on Home Repair Loans**

To prevent fraud and profiteering by dealers and contractors on home repair, renovation and modernization loans insured by the FHA under Title I, we recommend these changes in the law:

(1) Dealers and contractors operating under the Title I program should be licensed by the FHA. The FHA should not issue a license to a dealer or contractor unless it is satisfied as to his financial competence, his qualifications to do the job and his past record in the industry.

(2) The contractor or dealer should be required to certify to the lending agency the actual costs involved in the job. The lending agency should be required to keep a record of these costs for spot inspection by the FHA.

(3) Title I loans should be made directly to the customer and not to the dealer or contractor, who should receive his reimbursement directly from the customer. In this way, the homeowner will know exactly how much he is paying for the job and can hold up payments if the dealer or contractor fails to make good on his contract.

(4) Title I loans should be limited to genuine home repairs, renovation and modernization. They should not extend to luxury-type projects such as swimming pools, airplane hangars and other types of structures or equipment which are not integral to the provision of living accommodations.

**(3) Safeguards Against Overvaluation**

We ask that prevailing wages be paid on all FHA-insured construction.

For many years the A. F. of L. has urged that housing built under the FHA or VA program, as well as all other programs involving federal financial assistance, be made subject to the requirement for the payment to all employees of wage rates prevailing in the locality, as determined by the Secretary of Labor. We have strongly urged that the federal government should not be in the position of helping to make funds available for projects which involve payment of substandard wages for any employees.

We have succeeded in securing the enactment of such requirements for some of the FHA programs, including the FHA "608" program. We have found, however, that in numerous instances under that program builders flagrantly disregarded the requirement to pay the prevailing wage to their employees. These builders employed such illegal practices as, for example, paying apprentice rates to journeymen craftsmen.

Since the rents in these projects were based on the amount of the mortgage, in effect the tenants of the projects and the workers who built them subsidized the unscrupulous builders who obtained the fraudulently excessive loans insured by the FHA.

To correct these abuses, we urge that the requirements now applying to military housing (Title VIII) and defense housing (Title IX) be extended to all housing assisted by government insurance or guarantees. Adoption of such requirements would mean that the mortgagor would be required to certify, on completion of the physical improvements on the mortgaged property, the amount, if any, by which the proceeds of the mortgage loan exceeded the actual costs of the physical improvements. Within sixty days after such certifi-

cation the mortgagor would be required to pay to that mortgagee—for application to the reduction of the principal obligation of the mortgage—the amount, if any, certified to be in excess of actual costs.

In addition to these recommendations, Congress should consider ways and means to break the FHA out of the magic circle which now keeps it

under the exclusive influence of mortgage lenders, builders and real estate dealers and keeps it out of reach of public scrutiny as well as immune from the considerations of true public interest. The FHA is a part of our government. Its administration is a public trust. So long as its policy-makers and administrative officers are drawn exclusively from the ranks

of private interests which stand to profit by its operations, corruption will persist under its operations and within the government itself.

That is why labor insists that it must not be counted out in the manning of the agency which must serve the whole community and serve it both with integrity and responsiveness to community needs.

# Who Is the Arbitrator?

By M. HERBERT SYME

*Counsel, Pennsylvania Federation of Labor*

THE Bureau of Labor Statistics estimates that 98 per cent of all union agreements today contain a clause providing for the arbitration of grievances. Arbitration consumes a great deal of the time and the energy of the union and union leadership. It involves the welfare of practically every union worker.

A worker has been discharged. He has been disciplined. He has not been paid for time he deems he should have been paid. His job has been mechanized. The employer wants to accelerate production. There is a new job title. There is a new job description. What will the employee be paid for call-in time? Will he be paid for holidays that fall on Saturday or on his day off? Will he receive pay—extra pay—when a holiday occurs during his vacation period?

All these issues and many more are submitted to arbitration. The decision of the arbitrator is final and binding and irrevocable. You may gnash your teeth, bite your nails, wear sackcloth—it will do you no good. The arbitrator has decided.

The tax assessment may be revised. The decision of the Department of Internal Revenue may be appealed. You may argue with your wife and quarrel with your Congressman. But the arbitrator is different. He sits on his Olympian heights and makes his pronouncements.

Under such circumstances it becomes tremendously important to determine who will be the arbitrator. Most contracts do not name an arbitra-

trator. The union and the employer do not want to designate a specific individual in the contract.

What do they do? Over the years various devices have been worked out. In some cases a contract provides that the union will designate a representative on the arbitration board, the employer will designate a representative and the two will agree on a third. That procedure I call "hope springs eternal." The two probably won't agree and there will be no arbitration.

More sophisticated negotiators provide the same formula, but a terminal step is set forth. They stipulate that, where the two are unable to agree, an agency such as the Federal Mediation Service, the State Conciliation Service or the American Arbitration Association will appoint the third arbitrator. And there is the rub.

In the early years, when arbitration was not too profitable an undertaking, college professors would be called in to help resolve the disputes between the parties. Then the professional arbitrator came on the stage. Both of these groups are honorable men. They have rendered yeoman service to industrial peace and deserve profound gratitude from both labor and industry. Recently a new breed has appeared in our midst—the "arbitrator" who is an active advocate for industry and, in some few cases, for labor unions, who undertakes simultaneously to parade as an impartial or neutral arbitrator. Such an individual is neither impartial nor neutral nor an arbitrator. He may be a very

"fair" employer attorney, but that does not make him an arbitrator. He may lean over backwards to try to understand the union's side. The mere fact, however, that he has to perform these acrobatics is evidence of his disqualification.

One of my clients is a large union engaged in making a certain portion of men's apparel. There are about 3,000 union members working in one factory. The vice-president of that company is on every list of the American Arbitration Association. I recently was engaged in an arbitration case with him. He ably and vigorously represented the company. I vigorously and, I hope, ably represented the union.

While we were in the midst of this case, he was designated as the *arbitrator* in another case where I was counsel for the union! I was compelled to say to the union that, inasmuch as it had already made a bad choice of an arbitrator, there was no point in compounding the evil by also selecting an attorney who was hostile to the arbitrator. I withdrew from the case.

There is a very fine lawyer who is labor relations counsel to a number of retailers. I represent some of the unions who hold agreements with these retailers. This gentleman arbitrates cases. I frequently find myself in the position where I am negotiating with him on Monday and find his name on a list of arbitrators submitted by an agency on Tuesday.

There is (Continued on Page 30)



# Union Wages in 1954

By SEYMOUR BRANDWEIN

Staff Economist, American Federation of Labor

**T**HERE has been widespread publicity that this year many unions are either skipping wage increases or settling for only token raises because the cost of living has risen only slightly and because of the general economic recession.

This is not true. The fact is that, with the exception of a few severely depressed industries or areas, there are just as many wage increases being negotiated in 1954 as in 1953, and they are equal to or only a shade smaller than those won in 1953.

Union representatives are not being bluffed or frightened out of negotiating wage increases and, fortunately for the country, management is showing willingness to agree to increases in the final settlements. This is well reflected by reports of union wage settlements negotiated thus far this year.

They show that the increases won by unions have been running on an average of  $7\frac{1}{2}$  to 8 cents an hour and, in the great majority of cases, have been accompanied by improvements in benefits as well. By comparison, last year's average was some  $8\frac{1}{2}$  cents an hour.

Many local unions have, of course, negotiated substantially more than the average and others had to settle for less. But despite the differences blended into the average, certain conclusions can unquestionably be drawn from a cross-industry picture of the results of wage bargaining in the initial months of 1954.

(1) The predictions of many business forecasters that this would be a year in which unions would be forced to concentrate on fringe benefits and job security provisions alone and skip over wage increases have fallen flat.

(2) Management's publicity barrage aimed at discouraging unions from seeking wage advances has not succeeded in stampeding local union negotiators into passing up increases this year.

(3) The increases which have been

negotiated have set certain minimum guides for unions which are still to negotiate later in the year, for they indicate what increases are necessary at least to keep pace with generally prevailing wage settlement levels.

(4) Almost all increases negotiated in 1954 are notably larger than recent rises in the cost of living. This



MR. BRANDWEIN

reflects the now general recognition that wage increases should not be limited by cost-of-living rises, but are rather justified by—among other reasons—the necessity of improving living standards and of keeping pace with general advances in productivity.

**T**HE widespread economic recession during the past half year has been the subject of considerable attention in most wage negotiations. However, the mere fact of a decline in business activity has not been sufficient to coax unions to give up on wages. They are not letting individual employers capitalize on the general economic downturn as a means of evading wage increase obligations.

For most companies, sales and profit levels in 1953 were so substantial that, even with some downturn this year, their ability to provide wage

increases should not be materially impaired.

While unions have trimmed wage increase terms in the cases of particular companies which have been hard hit by severe economic difficulties, they have not done so where employers have merely been uncertain about the future outlook or are experiencing what is very likely only a temporary setback in their business.

This is a realistic policy. Some unions have learned in the past the hard way that wage increases abandoned cannot be recaptured. They have too readily accepted pessimistic management descriptions of economic prospects as the basis for limiting wage increases, only to discover too late at the end of the year that the company could well have taken in stride larger wage increases.

A tabulation of the reports on recent wage settlements provides the breakdown which appears below. It is based on a survey by a private reporting firm, the Bureau of National Affairs, Inc., of 902 settlements reported in the first 15 weeks of 1954.

Increase	Per Cent of Settlements
None .....	10
1- 3¢ .....	9
4- 6¢ .....	32
7- 9¢ .....	23
10-12¢ .....	15
13-15¢ .....	6
Over 15¢ .....	5

This tabulation actually understates the true picture. It must be kept in mind that:

(1) The instances in which negotiations have been closed without an increase or with only a minor token raise of a few cents are limited almost entirely to those industries or areas which have already been markedly depressed for some time. This has been true, for example, of much of the textile industry and of some New England communities.

(2) The settlements listed as providing no increase include a number



in which the wage issue was either not the subject of negotiations or was not finally settled but will be considered later in the year.

(3) Also, while the 10 per cent of settlements in which no increase is reported may seem high, it is actually not much higher than usual. In 1952 and 1953 about 7 per cent of reported settlements carried no increases.

(4) Many of the small increases reported in this tabulation are in reality down payments on larger increases, for additional raises are to be negotiated later this year.

(5) Some of the relatively small wage increases have been negotiated by unions which preferred to forego larger increases in favor of substantial liberalization of fringe benefits. The tabulation does not reflect the many bargaining gains on fringe items achieved in addition to wage increases.

A GOOD indication of the extent to which such gains are being won in addition to wage increases is provided by an analysis of the New York State Department of Labor of settlements in that state. It found

that some two-thirds of wage increases negotiated in the initial months of 1954 were accompanied by improvements in health and welfare and pension plans, paid holidays, vacations or other fringe benefits.

It seems likely that the wage-increase trend established in the first months of 1954 will be continued and spread through the rest of the year despite the existing unemployment burden and economic distress in many areas.

Some analysts have made a point of labeling wage increases negotiated in 1954, and those in 1953 also, as the smallest in any recent year other than 1949. This is misleading. While it is true that current wage increases are somewhat smaller than in most years since World War II, it must be recognized that they represent almost entirely a *real gain* in hourly pay.

Increases negotiated in the early postwar years were necessary largely to make up for rises in the cost of living. Those being obtained today are almost entirely over and beyond raises needed to catch up with living-cost rises.

There is also a cloudy side to the

current wage picture, however, for the economic recession is in many areas taking a heavy toll among wage-earners. Apart from the great many workers who have lost their jobs entirely, so large a number have been put on reduced, part-time workweeks that average *weekly* earnings in many industries have been declining despite the union-negotiated increases in hourly pay.

Fortunately, the fact that unions through collective bargaining have succeeded in gaining widespread wage increases has helped minimize the speed and depth of the current economic decline. Wage increases have been a major positive factor in maintaining consumer buying power.

It is vital that unions continue to negotiate additional wage increases, not only to provide their members with necessary additional purchasing power but, in the broader economic view, to add to the buying capacity of the nation as a whole.

In this way unions can help contribute effectively to an economic upturn which will place our economy once again on the path to an expanding prosperity.

## Memphis Labor Has Plenty of Know-How

*From a Correspondent in Memphis*

AT THE gateway to the Deep South stands the city of Memphis, a fast-growing metropolis which is famous as a great cotton center, as the home of "the blues" and as a hospitable, friendly place. To those of us who earn our bread by labor, Memphis is a good city in which to work and live.

Industry has come to Memphis in a big way, and union organization of the workers in the new plants has followed. The American Federation of Labor has played an outstanding role in this organizing effort.

The Trades and Labor Council and its affiliated local unions have maintained labor-management relations on a high plane since the Council was organized in 1889.

The Trades and Labor Council has served over the years as a rallying point for all Memphis unions in their endeavors and struggles and as a source of relief to the unorganized.

Many charters that adorn the walls of the Labor Temple have been hanging there for over fifty years. The charter of Local 11 of the Typographical Union, well over 100 years old, is the granddaddy of them all.

Despite prejudice and hostility toward the labor movement, organization has been accomplished and wage levels raised to compare favorably with other parts of the country. There has been an absence in Memphis of the kind of labor-management struggle which, in many cases, leaves scars of bitterness for years to come.

The building trades have enjoyed peaceful relations with the contractors for many years. The printing trades have also enjoyed years of uninterrupted progress, and the result has been high wage levels and good working conditions. The same has been true with most other local unions. Wage increases have been gained, working conditions improved, all with

what we believe to be the least amount of time lost due to strikes of any comparable city in the South.

OVER the years, the Memphis labor movement had become an integral part of the Crump political machine's vote-producing apparatus. Then came the passage of the Taft-Hartley Law, followed by the enactment of a state anti-closed shop law. The members of trade unions saw Shelby County [Memphis] legislators turning their backs upon the very leaders who had supported the machine. The time had come for Memphis labor to make a decision. The year was 1948.

The machine was deserting the incumbent Senator Stewart and was casting about for a candidate acceptable to it when Congressman Estes Kefauver, a friend of labor, came to Memphis to explore the possibilities of enter- (Continued on Page 31)



At the A. F. of L.'s exhibit four handicapped trade unionists worked efficiently at their respective trades

## *Handicapped Workers Are Good Workers, A. F. of L. Exhibit in Washington Shows*

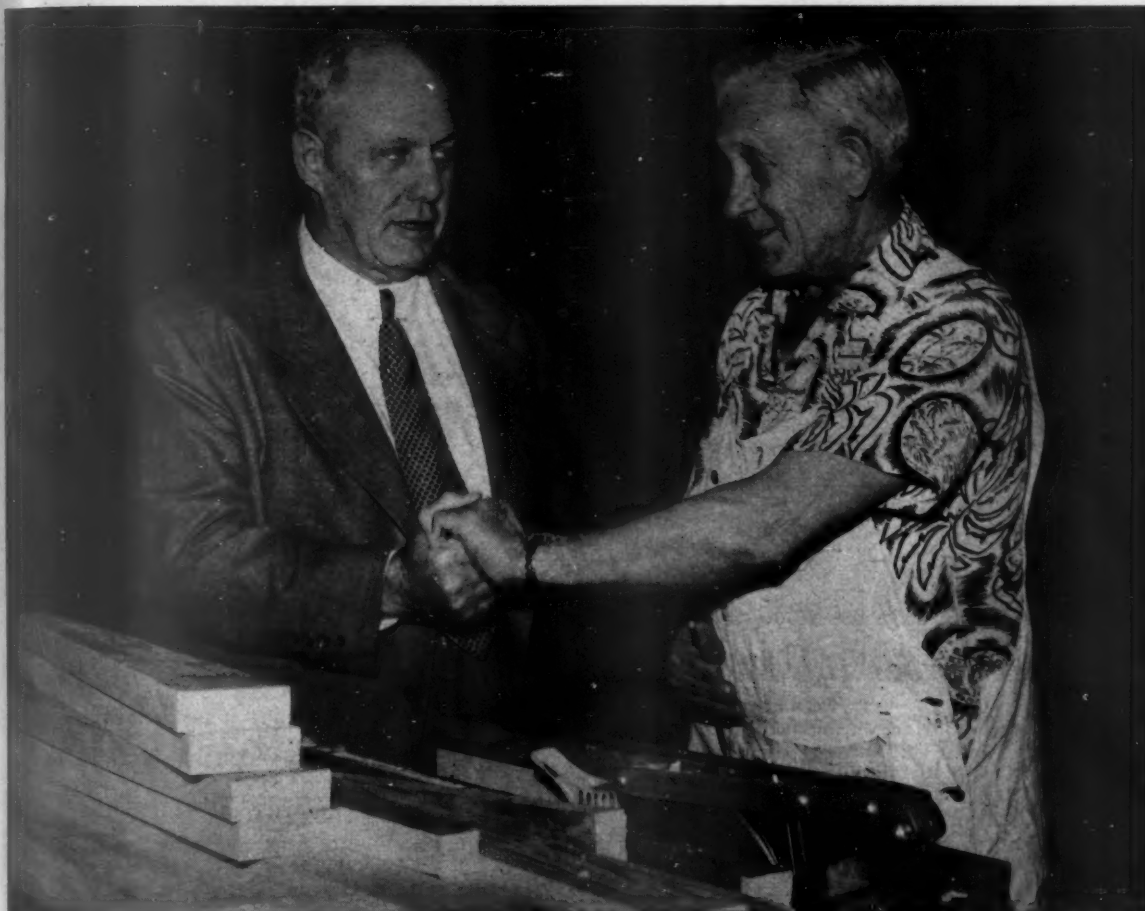


George Meany learned that handicap doesn't keep Port Miller from turning in a good day's performance as welder

**T**HE American Federation of Labor has always known that handicapped workers, when given the opportunity to work, are just as efficient and just as productive as anyone else. As the A. F. of L. has often pointed out, it's a person's *abilities* that count—not his disabilities.

Last month, in the nation's capital, the American Federation of Labor staged a persuasive demonstration of its belief that handicapped workers are good workers. Four handicapped trade unionists were brought to Washington, where they showed visiting throngs that an amputee or a man with other disabilities can still do a splendid day's work.

THE AMERICAN FEDERATIONIST



George Meany shook hands with Albert Liesch, a highly productive carpenter despite his injured right hand

The four A. F. of L. members worked at their respective trades at the Exposition and Parade of Progress of the President's Committee on Employment of the Physically Handicapped. The four men were a carpenter, Albert A. Liesch; a machinist, Dudley McCown; a metal polisher, John Mancine; and a welder, Port Miller. The performance of all was most impressive.

A. F. of L. President George Meany and Secretary-Treasurer William F. Schnitzler visited with the handicapped trade unionists. The exposition was also visited by President Eisenhower, Vice President Richard Nixon, Secretary of Labor James P. Mitchell and Mrs. Oveta Culp Hobby, Secretary of Health, Education and Welfare.

The exposition, first of its kind, was held in conjunction with the annual meeting of the President's Committee. More than fifty exhibits showed how handicapped citizens are rehabilitated and put to work. The exhibit of the American Federation of

Labor, it was generally agreed, was one of the best. It clearly showed that there is no good reason for the reluctance of many employers to hire the handicapped. This attitude of employers is foolish and cruel. The A. F. of L. hopes that through union-employer cooperation many thousands of new jobs will be opened up for handicapped workers in the U.S. in the months ahead.



William F. Schnitzler, A. F. of L. secretary, was keenly interested in machinist's work of Dudley McCown



# EDITORIALS

*by George Meany*

## ***Remember the FHA***

**R**EMEMBER the FHA—especially the next time someone tries to tell you that unions are responsible for high building costs. Thus far, only a small part of the financial skullduggery in which the operations of the Federal Housing Administration were mired has been revealed in the official investigations. But already it is clearly apparent that millions of dollars in “wind-falls” fell into the laps of apartment house builders through FHA loans far in excess of actual building costs. And the victims, as usual, were the tenants who were forced to pay rents from 15 to 25 per cent higher than justified.

Furthermore, it has been testified that thousands of small home owners were bilked by unscrupulous operators in the home improvement field, often with the knowledge and acquiescence of the FHA.

These scandals must be thoroughly exposed and those responsible punished to the full extent of the law. Equally important, the loopholes in the law which permitted these abuses should be tightly closed by new legislation. Unfortunately, most of the money made available by the federal gov-

ernment for the encouragement of new housing construction through mortgages guaranteed by the FHA went into the high-priced field where profits are correspondingly high. It is important that Congress should now concentrate government aid through strictly legitimate means upon the encouragement of low-cost housing for the benefit of the great masses of the people of this country.

## ***T-H Bill Recommended***

**I**T APPEARS unlikely now that any legislation to correct the manifest evils of the Taft-Hartley Act will be adopted at this session of Congress. The death-knell to immediate action was sounded when the Senate on May 7, after a week's debate, voted, 50 to 42, to recommit proposed amendments to the Senate Labor Committee.

During the debate it became evident that the main direction of Big Business strategy was to wipe out protection of labor's basic rights by forcing the abdication of the federal government's jurisdiction to the forty-eight states.

From labor's point of view, recommitment of the Smith bill containing the so-called Administration



amendments was far preferable to its adoption. The changes proposed in the Smith bill offered a few insubstantial crumbs to labor but introduced new evils which would undoubtedly make the Taft-Hartley Act more oppressive than it was originally.

Above all, it should be pointed out that the Smith bill did not carry out President Eisenhower's campaign pledge, made before the 1952 convention of the American Federation of Labor, to secure amendment of the Taft-Hartley Act to make it fair to the nation's workers.

The American Federation of Labor intends to continue its efforts to obtain enactment of a fair and just law governing labor-management relations, either in this Congress or the next.

### ***Soviet Russia Joins I.L.O.***

**F**REE labor and the free world are faced with a new problem now that Soviet Russia has joined the International Labor Organization.

Here is the background: Last November Soviet Russia applied for admission into the I.L.O. At that time she demanded that the basic structure of the I.L.O. be changed and announced she would not be bound by the I.L.O.'s rules and conventions. This application was rejected by David A. Morse, Director General of the I.L.O., who informed Soviet Russia that as a member of the United Nations she is automatically entitled to membership in the I.L.O. provided she accepts the provisions of the I.L.O. constitution which are binding on all other member nations. Now Soviet Foreign Minister Molotov has formally accepted the obligations of the I.L.O. constitution and Soviet Russia has been accepted into the I.L.O.

The I.L.O. is dedicated to peace through the attainment of economic and social justice for the peoples of all nations. Obviously, the aggressive

policies and totalitarian practices of Soviet Russia do not square with the aims and policies of the International Labor Organization. Why then was Soviet Russia willing to eat crow in order to join the I.L.O.?

The answer is clear. The I.L.O. has been engaged for some time in a probe of slave labor conditions existing behind the Iron Curtain. Soviet Russia is anxious to thwart and obstruct such investigations, which expose the hypocrisy of Communist pretensions for all workers to see.

Through the years the I.L.O. has succeeded in bringing about agreement on international conventions which have lifted the working and social standards of oppressed peoples in backward nations. Soviet Russia opposes all human progress because her aggressive designs can be promoted only by human misery and degradation.

The free world can therefore expect only opposition and disruption from the representatives of Soviet Russia in the operations of the I.L.O. We must be prepared to cope with and overcome these Communist tactics.

### ***'Indecent, Improper, Dishonest'***

**S**ENATOR Joseph R. McCarthy has characterized as "indecent, improper and dishonest" the stenographic transcription of telephone conversations he had with Secretary of the Army Robert T. Stevens.

This is the same Senator whose own methods have been denounced in even stronger terms by many of the leading figures in American public life.

Can we hope from this experience by Senator McCarthy that from now on in conducting the work of his subcommittee he will adhere strictly to methods that are *decent, proper and honest* and in keeping with the American tradition of fair play?

# What Can Unions Do To Improve Safety?

By P. L. SIEMILLER

WHEN I think of the word *safety*, I immediately think of Johnny Koontz.

About twenty-seven years ago, when I was working as a railroad machinist in the Missouri Pacific shops at Atkinson, Kansas, Johnny Koontz was general foreman there. He aided and abetted in a violation of safety rules—and became a victim of the consequences.

All Johnny Koontz did was to take a kick at a sack—at what appeared to be an empty burlap bag on the floor. But the bag was *not* empty. It contained a knuckle pin, which is a heavy chunk of steel. The knuckle pin had been put into the bag deliberately by some of the boys—my fellow workers. Then this booby trap had been set on the floor, an invitation for someone to kick. It was done as a joke. The bag was a gag.

Johnny Koontz fell for it, and broke three toes—but painfully!

Johnny Koontz was at fault for kicking the bag. If he had been safety-minded, he would not have fallen for the trick. He would have picked up the bag—and the knuckle pin—in his hands, and moved it out of the way.

But the far greater violation of safety rules, of course, was that of the boys. The knuckle pin gag is only one of the many kinds of horseplay that lead to accidents on the job. Silly, dangerous horseplay. Workers play horse on all kinds of jobs. In the shop they've got tricks with the air hose. In the office they shoot paper clips with rubber bands.

---

P. L. Siemiller, general vice-president of the International Association of Machinists, is A. F. of L. member of the board of directors of the National Safety Council. This article is drawn from an address delivered at a conference held at Urbana, Illinois.

---

What can be done by unions to improve safety? They can educate and agitate and fight against horseplay on the job, against kid tricks unbefitting grown men, unbefitting trade unionists, against kid tricks which may and do result in broken toes, punctured eyeballs and all kinds of accidents which are not at all funny.

Cutting out horseplay can be done by developing safety-mindedness, by building an *attitude* toward safety.

I am not going to discuss in detail what union members can do in specific ways to improve safety. I am not

going to list all the things not to do and all the things to do to prevent accidents. Such a list would contain so many items it would take several hours to read it.

What we need to do is to make a start—a fresh start—in improving safety. The start of what unions can do is not in details but in policy, in program—better yet, in *attitude* toward the problem. A refreshed, re-strengthened attitude will mean a reinforced and rededicated will to do, to act, in the interest of safety.

My emphasis on attitude is due to my conviction that safety is first and



Use of goggles and other safety equipment reduces accident toll

primarily a state of mind. Safety engineers and experts agree on that.

Rules and regulations are important. And the dos and don'ts are very important. But we have got to get the individual worker interested in safety—in his own safety and in the safety of those with whom he works. Without an attitude toward safety which is alive, positive and constructive, rules and regulations lose effectiveness—like “words without thoughts” that “never to heaven go.”

THE safety movement in America has been doing a pretty good job in recent years. But there is vast room for improvement. Unions have been and are doing much to improve safety. But there is much more for them to do.

The organized labor movement was responsible, at least indirectly, for the development of the organized safety movement in America. Organized labor had fought for years for workmen's compensation laws to protect employees against the terrific losses resulting from accidents on the job. When at last workmen's compensation laws came into being—with ten states passing such laws in 1911—employers who had previously shown very little concern for the safety of their employees suddenly got on the ball.

For example, the National Safety Council, which is considered the hub of the organized safety movement, was formed right after the “comp” laws went into effect. This was not just a coincidence. Such an authority on the subject as Dr. John B. Andrews has written:

“One of the most beneficial effects of workmen's compensation laws is the incentive given to employers to prevent accidents—a continuous economic pressure to develop and maintain safety practices. It is generally recognized that workmen's compensation has proved to be the greatest single stimulus to accident prevention work.”

Management's interest in safety is primarily because of the cost of accidents in dollars and cents. Ned Dearborn, president of the National Safety Council, says:

“The safety movement hasn't been just humanitarianism on the upswing. If there weren't economic benefits from accident prevention, business and industry wouldn't be carrying out the intensive programs we see today.”

Mr. Dearborn was thus quoted not long ago by *The Wall Street Journal*.

There are two distinct areas in which unions and managements deal with each other. In one area their interests are opposed. In this area are the problems of wage rates, vacations, pensions, holidays, etc. In the other area the interests of management and union are common. Safety and sanitary conditions in the shop belong in this area.

Of course, workers also have an interest in safety because of the dollars-and-cents cost of accidents. This fact is highlighted by the accident statistics. The total loss in wages in our country caused by accidents in 1952 was \$3,000,000,000. The total cost in 1952 of all accidents, including medical and hospital expenses, property damage to motor vehicles, fire losses, administrative and insurance costs, was \$8,700,000,000. These are pretty big cost figures. In Illinois alone accidents in 1952 cost employees nearly \$227,000,000 in lost wages. These, let it be noted, are uncompensated wage losses.

These figures on accident costs are very important. They are important in their economic implications to the individual worker as well as to industry and the community. And these figures are relevant to the common interest which unions and managements have in safety.

But beyond this, beyond the economics, there are losses which the figures cannot measure, losses which cannot be equated in dollars and cents. These are the losses which we would list under the heading of human suffering. The items under this heading would be physical pain, headache, worry, misery, poverty and bereavement. These are losses with which management is not primarily concerned. But unions are and must be deeply concerned about the human suffering caused by accidents, because unions are not in business for profit but for humanitarianism.

The welfare of human beings is the business of organized labor. And that is why, fundamentally and most importantly why, unions are and must be concerned with improving safety. And that is why, too, unions should accept responsibility for helping improve safety not only on the job but at home, on the streets and highways, in the schools, and everywhere that working people and



MR. SIEMILLER

members of their families may be.

Unions can help to improve safety by continuing and intensifying their activities in behalf of stronger and better laws governing industrial and other kinds of safety. Unions can help mightily in improving safety by use of the collective bargaining process.

While many employers, with enlightened self-interest, have become safety-minded and have developed effective safety programs, there still remain many employers who lack such enlightenment. Where an employer can't see the importance of safety—the economic importance to him—then, because of the humanitarian as well as the economic importance of safety to the workers, the union should negotiate safety into its contract.

SAFETY is a condition of employment so important that it ought to be made a clause in every contract. My union, the International Association of Machinists, for years has had a model agreement which serves as a basic standard for negotiations with employers. And that model agreement contains a safety and sanitary conditions clause. We have negotiated nearly 1,000 contracts containing safety clause provisions. These contracts cover nearly 1,400 firms.

Of course, our contracts vary and the safety clauses vary. But as a good example of one of our negotiated and effective safety clauses, here is Article XII from the agreement of District 70, Inter- (Continued on Page 29)



# The Crisis in Indo-China

By PHAN QUAN DAN

*Vietnamese Republican Leader*

*From International Free Trade Union News*

**F**RENCH policy in Indo-China is based on three premises:

(1) More military assistance to the French by the United States.

(2) No more military assistance to the Vietminh by Communist China.

(3) Those two conditions, if realized, will bring a rapid and decisive French military victory over the Vietminh.

Point One has been realized. The French are obtaining from the United States increased military assistance amounting to more than one billion dollars a year. But I do not see how Point Two could be realized and how the French, while trying to obtain still more military assistance from the United States, could get the Chinese Communists to stop their military assistance to the Vietminh.

At the Geneva Conference, on French insistence, the French might have a chance, a slim chance, of obtaining Peiping's promise—just a promise—to disassociate itself from the government of Ho Chi Minh if France will win for Peiping recognition by the United States and admission into the United Nations and also sign with Peiping a treaty containing special provisions for countless privileges which would make Indo-China a vassal of Communist China.

One question immediately arises: Why should one fight the Communists in Vietnam and at the same time support the Chinese Communists, who represent an even more serious danger to Indo-China, Asia and world peace and freedom? The establishment of Communist China's consulates in Hanoi, Haiphong, Hue,

*[This article was written prior to the fall of Dien Bien Phu.]*

Saigon, Phnompenh, Vientiane and other Indo-Chinese cities, under present circumstances, would inevitably force all the Chinese in Indo-China to become Communists, favor Peiping's propaganda and assure ultimate Communist victory in Indo-China. If any such treaty is signed by the French with Communist China, the Indo-Chinese people will reject it.

Even if Points One and Two were realized, it is not certain that the French would be able to carry out their Point Three and defeat the Vietminh under the present political conditions. These conditions are very unsatisfactory to the Indo-Chinese people, who are still far from having complete independence.

The problem of independence of the Indo-Chinese people still remains the basic problem to be solved. If Cambodia, Laos and Vietnam are genuinely independent, they should be free to settle their own internal affairs and determine their own foreign policies. In particular, Vietnam, the principal Indo-Chinese nation involved in the war, should be free to determine for itself how to carry on and win its anti-Communist battle.

At present, because the Indo-Chinese people are not yet really independent, the Indo-Chinese war is directed from Paris and is still too much of a French war against the Vietminh. As such it is aggravating French political instability, which, in turn, has most disastrous consequences on the course of the war in Indo-China. In order to break this vicious circle and make it possible to win the war, without the risk of its being lost to the Communists because of a political crisis in France, complete independence should be granted to the Indo-Chinese people.

The war should become "a Viet-

namese war, not a French war; it should be fought by Vietnam with France's help, not by France with Vietnam's help," and "the French forces should be withdrawn as soon as the Vietnamese army is capable of fighting with its own means." These were the expressions of Paul Reynaud in an interview published by *France Soir* on March 22, 1953.

I would like to add that the withdrawal of French forces should be gradually completed within a given period of time, from two to five years.

In order to assure the triumph of democracy and restore peace in Indo-China, certain basic measures should be taken.

Cambodia is unified and at peace under the nationalist government of King Norodom Sihanouk. Cambodia should be granted complete and immediate independence and encouraged to seek recognition and protection of the democratic nations.

In Vietnam—similar measures will be taken in Laos—the Vietnamese nationalists should be free to organize themselves and to elect a representative government. Such a government will sign a new agreement with France granting complete independence to Vietnam and recognizing special cultural and economic French interests in Vietnam. The Vietnamese army should be placed under Vietnamese command and the French expeditionary corps should be gradually withdrawn.

The war in Indo-China would then be reduced to a fight between Vietnamese nationalists and the hard core of Vietnamese Communists, who are not many. Negotiations could then be arranged between them. In case the Vietnamese Communists rejected the terms of a reasonable settlement, they could be defeated as the troops of Markos have been defeated in Greece and as the Hukbalahaps are being annihilated in the Philippines.

---

*Dr. Phan Quan Dan was Minister of Information of Vietnam from June, 1948, to March, 1949. He is a former political adviser to Bao Dai. He is also a former leader of the anti-Communist Zan Chung movement against the Vietminh.*

---





*Luncheon speakers fixed attention on questions of importance on the domestic scene and in world affairs*

### Labor Education

# Spring Conference Is Held in Washington

By JOHN D. CONNORS

*Director of Education, American Federation of Labor*

**T**WO full days of stimulating discussion were spent by forty education and research directors of A. F. of L. unions and State Federations of Labor at the spring conference of the Workers' Education Bureau in Washington on Thursday and Friday, April 22 and 23. These semi-annual conferences are designed as informal, "let-your-hair-down" discussions of mutual problems faced by labor's education directors.

At the conference I had the pleasure of announcing that the Workers' Education Bureau will henceforth be known as the Department of Education of the American Federation of Labor and that John E. Cosgrove, now director of education and research of the Iowa State Federation of Labor, had been appointed assistant director of the

Department and would join the national headquarters staff later in the year.

While business sessions of the con-

ference were closed and limited to problems of mutual interest in the field of workers' education, the luncheon sessions were open and covered topics of a more general nature.

At the Thursday luncheon Richard Wallace, administrative assistant to Senator Estes Kefauver of Tennessee, and Kenneth Birkhead, director of the Democratic Senatorial Campaign Committee, brought the group up to date on current trends in the political situation, the prospects of various candidates and issues which they felt would be key ones in November. Morris Novik, A. F. of L. radio and television consultant, urged the group's continuing support of Frank Edwards and strongly recommended that labor and allied groups combat such programs as "Facts Forum" by demanding



*Director Connors in action during one of parley's many discussion sessions*



*Elizabeth Irwin of Connecticut and John Cosgrove of Iowa, the A. F. of L.'s new Assistant Director of Education*

from the stations equal time to reply to their presentations.

A highlight of Thursday's luncheon session was Secretary-Treasurer William F. Schnitzler's eloquent statement of the importance of the human needs of our 10,000,000 members and the role of union educators in getting word to the membership about the "ideals and ideas, the hopes and aspirations of the labor movement."

At Friday's luncheon session Thurston Morton, Deputy Undersecretary of State, gave the group an extremely interesting and valuable off-the-record report on the current situation in Indo-China and our foreign policy in Asia.

Business sessions of the conference were devoted to panel and floor discussions, leading off with the topic "Labor and Public Education." Labor's historic interest in this field, the contribution of the labor movement to public education, labor's scholarship programs and an exchange of views on working in this field with other organizations, such as the Joint Council on Economic Education, were included in this discussion.

An analysis of areas in which education programs of State Federations of Labor and international unions might be coordinated was covered under a discussion on "Who Shall Do What?" Those present agreed that increased cooperation and coordination were desirable but that wide variations in programs among State

Federations of Labor and international unions made it impractical to set up any formal or hard-and-fast rules in this field at present.

"Understanding Labor's Health Programs" covered the wide range of programs now in effect among unions, ways in which they may be improved, and the importance of stressing the comprehensive, consumer-controlled, medical center plan as opposed to the cash-indemnity, commercial insurance programs.

In a general "buzz" session a number of current issues ranging from political education to the use of the flannel board technique in teaching foreign affairs were discussed.

The increasing number of problems raised for discussion at these conferences and the increasing number of full-time A. F. of L. educational staff people in attendance are encouraging signs of growth in the field of workers' education within A. F. of L. unions and of awareness by labor's educational people of the broad range of interests and issues with which they must familiarize themselves in order to serve best the needs of our steadily growing American labor movement.



### Colleagues Honor William Collins

*A few days ago, in the nation's capital, many warm tributes were paid to William Collins (the middle man in photo), the American Federation of Labor's regional director of organization in New York. A dinner in Brother Collins' honor was given by his fellow regional directors and Director of Organization Harry E. O'Reilly (at left in photo) and Assistant Director of Organization Peter McGavin (at right). His colleagues wished to pay tribute to Brother Collins upon his completion of forty years as an organizer.*

# A REPORT ON THAILAND

By RICHARD DEVERALL

*A. F. of L. Representative in Asia*

WE HAVE recently visited Thailand, the linguistic "land of the free." It was our fifth visit to this exquisite land of water buffaloes, languid Thais and ever-busy Chinese. The free-and-easy climate of Siam has noticeably changed. Forces at work inside Thailand coupled with the march of Asian events since the consolidation of Communist power over China now cast long shadows across the Buddhist kingdom whose last ruler was murdered in bed and whose present king relies on a pistol as a life insurance policy.

Once Siam approached the definition of a democratic state. But in the past few years a tremendous military build-up and the widening corruption of the Pibun Songgram regime have practically done democracy to death. The old 1932 constitution (with its several revisions) was abolished and on March 8, 1952, Thailand received a new constitution providing further ribs for the semi-totalitarian regime of Premier Songgram. In the National Assembly one-half of the representatives are appointed by the government. Most of the appointees are Army, Navy and Air Force officers.

Corruption is reaching monumental proportions and threatens the future of Thailand as a nation. The Police Department not long ago decided that it would be well to issue a statement denying certain rumors, to wit, that the Songgram Coup Party "have made full preparations to flee the country; that the financial situation of the country is deteriorating to a situation similar to what the Chinese Nationalist government was experiencing before the Communist government took over the administration; that public morality has deteriorated to the lowest depths; that there is no justice in the administration; and that corruption is rife among government circles."

The denial of the rumors is interesting because the denial lists rather accurately the poisons which are in-

fecting the body politic of Thailand. The cost of living has risen considerably. Some of this is due to the squeeze by government. Some stems from the corruption of government officials and the police. And some results from the impact of the large numbers of Americans employed by the Embassy and U. S. government missions.

Police General Phao Sriyanondh called for a sweeping crackdown on profiteering merchants. The police were authorized to inspect import orders, letters of credit and merchants' books. On the one hand, this could check profiteering. On the other hand, it enhanced the police opportunity to squeeze more out of the merchants.

Police General Phao also called for a buyers' strike. The same man imprisons workers at the slightest pretext. Workers who went on strike in 1952 were kept in prison chains by the police for several months.

PERHAPS the most serious immediate economic problem is that of the rice trade. Thailand produces about 4,500,000 tons of rice each year. Ordinarily the country would export at least 1,500,000 tons at a good price, giving Thailand a favorable balance of trade.

Thanks to state intervention and governmental greed, it is no longer easy to dispose of surplus rice. Thailand must now face a buyers' market and growing economic difficulties.

When the Thai government declared it had smashed an attempted Communist *coup d'etat* backed by Red China and the Vietnam of Indo-China, a realistic American observer, Hugh G. Grant, formerly the U. S. Minister to Siam, noted that "the so-called revolts in Bangkok come with amazing regularity" and he made the further comment that "this time the revolt coincided with the arrival in Bangkok of our American Ambassador, General Bill Donovan."

Premier Songgram is loud in his denunciations of Communist aggression, for he sees aggression from Chinese Communists in Malaya, from Kuomintang remnants in Upper Burma, from Red China and from the Communists of Indo-China. Along with the anti-Communist screams from the semi-Fascist government come hints that more American aid would be useful in stemming Communist aggression.

The threat of Communist aggression against Thailand is real, of course. Chinese Communist irregular forces in Malaya recently were using Southern Siam as a base for operations against the British in Malaya. The thrust of Communist forces in Indo-China to the Thai border has pointedly indicated that the threat from Red China and its Viet-minh puppet is very real.

Potentially, the greatest threat is from Siam's Chinese minority of 5,



Every citizen ought to vote on Election Day. That's very true. And when we vote, it's much better to elect good candidates than to see inferior ones triumph. To help elect good candidates, support Labor's League. Give \$1 today to join the League. You can't possibly make a finer investment. Won't you act today to get behind LL.P.E.?





Charles J. MacGowan

William A. Calvin

## MacGowan Resigns as Boilermakers' President

*Charles J. MacGowan is laying down the reins as president of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers. William A. Calvin, a former secretary-treasurer of the Metal Trades Department of the American Federation of Labor, has been chosen to succeed Mr. MacGowan. The latter, a veteran member of the Executive Council of the A. F. of L., is one of the nation's most highly esteemed labor leaders. When the changes become effective July 1, Mr. MacGowan will become president emeritus of the union and will be available to advise the union's officials. In submitting his resignation Mr. MacGowan, 67, said that he felt "the gigantic tasks which lie ahead require the services of a younger and more rugged person." Mr. Calvin is 56.*

000,000 who make up 25 per cent of the population of Thailand. Premier Songgram's major political rival, former Premier Nai Pridi, is a full-blooded Chinese. The Songgram group detests the Chinese in Siam primarily because the Chinese through their industry have gained control of the tea and rice trade and most of the small and medium-scale industry of the country. The Chinese make up the skilled labor force of the country as well as the backbone of trade.

Most Chinese are vigorously anti-Songgram and anti-Thai because of the persecution of all Chinese by the armed forces. An estimated 2,000 Chinese youth are leaving yearly for "higher education" in Red China. The government obligingly operates a

steamship line between Bangkok and Red China's Swatow to speed up this long-range subversion of Siam through communized youth.

The Chinese Communist Party of Siam numbers at best 3,000 members and is currently underground. But thousands of non-Communist Chinese are a potential fifth column because of the persecution of the Chinese by the Songgram government.

**W**HAT about the labor movement? The older Bangkok Labor Union was almost entirely Chinese and under Communist leadership. It has been either smashed or driven underground. A few years ago the government set up the Thai National Trade Union Congress. The secretary-gen-

eral of the T.N.T.U.C., Mr. Nai Sangh, until recently was the editor of the semi-governmental daily newspaper, the *Bangkok Tribune*. He was also sparkplug No. 1 for the government-sponsored MRA movement. At last count the T.N.T.U.C. claimed a membership of 6,000 members.

When Vice President Richard Nixon arrived in Siam, Nai Sangh used the columns of the *Bangkok Tribune* to berate the Lord Mayor of Bangkok for alleged "kowtowing" to Americans. Within the day Mr. Nai Sangh had been fired from his newspaper position by Premier Songgram and shortly thereafter fled the country, reportedly for Calcutta.

The T.N.T.U.C. has hit a new low, and competent observers in Siam report that the labor movement is now all but extinct. Yet if any country needs a strong and articulate labor movement it is Siam. The cartelization of industry and commerce by the armed forces and the growing corruption can best be combated by a strong and vigorous free trade union movement.

When this writer worked in Thailand during 1951, the American Embassy seemed almost afraid of the word "labor." When we mentioned that the government had expressed interest in labor legislation, the Embassy asked us to lay off "because we do not want any labor laws in Thailand." Later, after the STEM group arrived, Director August Flegel made known his conviction that there was no "labor problem" in Siam. Flegel was and is anti-union. The United States has lost a golden opportunity in Thailand to spread trade union principles.

Siam revisited presents a grim and depressing picture. Chinese who once smiled when asked about Songgram now bitterly and openly attack the regime. I found that Thais were fearful of being observed talking to me. "The police listen nowadays," a young man explained.

Thailand has been hailed as the bastion of anti-Communist democracy in Southeast Asia. Thailand is anti-Communist. But it is far less democratic today than before the American aid program began. American labor should demand a truly pro-democratic, anti-Communist policy in Thailand. Pussyfooting and floundering are only promoting fascism and may provide in the future another satellite for an aggressive Red China.



# Guatemala Smashes Free Unions

By RUBEN D. VILLATORO

*President, National Union of Free Workers of Guatemala*

THE first attempt to organize labor in Guatemala was made at the turn of the century. A group of mutual, cultural and workers' defense societies joined then in forming the "Labor Federation of Guatemala for the Legal Protection of the Rights of the Workers." This example was followed in other Central American countries and led to the organization of the Labor Confederation of Central America, whose objectives were not only the betterment of the workers' conditions but also unity of the Central American nations, separated by artificial frontiers and outmoded rivalries.

General Jorge Ubico, who governed my country for fourteen years, was responsible for two measures which met with labor support—the establishment of the eight-hour day and the confiscation of German-owned property during the Second World War. However, he attempted to subjugate the Labor Federation of Guatemala and convert it into an instrument of his dictatorial regime and of his expansionistic plans. The workers of Guatemala preferred death rather than submit themselves to Ubico's control. As a result, all the labor organizations were dissolved.

In 1944, Dictator Ubico was compelled to flee the country. He was succeeded by General Ponce. During the latter's brief regime attempts to reorganize the labor movement failed again. However, the revolution of October 20, 1944, which was supported by the overwhelming majority of the Guatemalan people, led by a group of students, none of whom were Communists, finally gave us the opportunity to begin the reorganization of the trade union movement.

The powerful Union of Railway Workers was the first to be organized, followed by the Teachers' Union and others among the banana workers, longshoremen and textile employees. It was a labor movement based on the principles of freedom.

A few months later these unions banded together and formed the Trade Union Federation of Guatemala, which sponsored the first collective

agreements and achieved great strength in Guatemala City and in Quetzaltenango. There was also organized for the benefit of the agricultural workers the Regional Central Federation of Workers of Guatemala. Both organizations were the result of rank-and-file efforts and sacrifices. They were financed exclusively by the membership. They maintained an attitude of independence from the government as well as from political parties. Freedom of discussion and democratic procedures were their dominant characteristics.

At the same time a small group of teachers who had been educated abroad, together with some former political refugees, organized the Confederation of Workers of Guatemala (C.G.T.). From the very beginning this organization manifested a definite Communist orientation. Subsidized by Russian agents, it affiliated itself with the C.T.A.L. of Lombardo Toledano. The C.T.A.L. is a notorious instrument of Russian foreign policy.

Under the regime of President Juan Jose Arevalo the Communist-controlled Confederation of Workers remained very small. This was not satisfactory to the World Federation of Trade Unions, to which the C.G.T. was affiliated. Accordingly, the W.F.T.U. devised special plans for the destruction of Guatemala's free trade union movement.

Communist leader Victor Manuel Gutierrez, who had taken part in the W.F.T.U. Bucharest convention where the new strategy was devised, issued a call to all the labor organizations upon his return to Guatemala, proposing unity of action. Unfortunately we accepted this bid in good faith, believing it would be a unity for freedom and not for slavery. The three central labor organizations of Guatemala took part in the so-called unity convention of October, 1951. They agreed to merge into a General Confederation of Workers of Guatemala (C.G.T.G.), where the Communists from the very beginning secured 70 per cent of the key positions.

Soon after the achievement of this "unity," the Communists started a

campaign of slander against the older leaders of the labor movement with the view of taking away from them the support of the workers. This maneuver received the support of the government after President Jacobo Arbenz Guzman succeeded Arevalo. Trusted and experienced labor leaders were forced out and were replaced by young, inexperienced "leaders" whose only qualification was blind submission to the will and dictates of the Communist Party. With the constant support of the government, a veritable Communist trade union dictatorship was thus built up in Guatemala.

LAST year more than 4,000 unemployed workers organized a Defense Committee which urged the government to study their situation and adopt relief measures. From the start, Communist elements attempted to infiltrate this committee. Among other things, they demanded that all the complaints to be submitted to President Arbenz go through their hands because they claimed this was the only way to get satisfaction.

After the leaders of the Defense Committee decided to reject Communist sponsorship, they suddenly found the doors to public offices closed to them. Later the Judicial Police, a branch of the Federal Police of Guatemala, started harassing the leaders of the Defense Committee and attempted to deport the 4,000 unemployed to distant agricultural regions. The pretext was that land was available for cultivation. Completely ignored was the fact that none of the unemployed was an agricultural worker.

Finally, the Communists accused the Defense Committee of being led by anti-patriotic elements, with the result that all the leaders were arrested, the headquarters of the committee were destroyed and the organization itself was forced out of existence.

Subsequently a group of Catholic leaders organized a Central Committee of Anti-Communist Workers. The headquarters were assaulted several times and "mysteriously" stripped of furniture and office equipment. This Central Committee of Anti-Communist

nist Workers is at present unable to function publicly.

In the public markets of Guatemala numerous women are employed as clerks and in other jobs. These workers tried to organize without Communist interference. The Judicial Police visited the leaders of the organization at their homes, threatened them with reprisals and some of them were prevented from entering the Central Market where they were employed. Later these humble women committed the "unpardonable crime" of refusing to listen to a lecture by Communist Carlos Manuel Pellecer. Many of them paid dearly for this open defiance of the Communist dictatorship.

The Railway Workers, members of S.A.M.F., nominated as a candidate for the post of general secretary of their organization a veteran trade union leader, Arturo Morales Cubas, who had successfully negotiated the first labor agreement in Guatemala. In spite of being a member of the Party of the Guatemalan Revolution, he has maintained a great deal of independence and had never submitted to Communist dictation. Immediately the whole governmental apparatus, inspired by the Communists, was mobilized to defeat Morales.

The Railway Consumers Cooperative, of which he was the manager, was "mysteriously" destroyed by a fire which caused a loss of \$200,000. A group of Communist elements, especially trained in street fighting, was detailed to disrupt all the meetings that Morales was scheduled to address. Nevertheless, the overwhelming majority of the Railway Workers voted for Morales. The Judicial Police here entered the picture. They took the ballot boxes to their barracks for "safekeeping." They were all tampered with, and the result was that the Communist-supported ticket, which had been rejected by the voters, was declared the winner.

Last year two representatives of the Confederation of Labor of Cuba visited Guatemala to invite an observer to the I.C.F.T.U. congress at Stockholm, Sweden. Detachments of police continually guarded the hotel where the Cubans were lodged and took down the names and addresses of all who visited them. After the Cubans had gone home, all the visitors were called to police headquarters and subjected to long and painful questioning. The Guatemalan observer who

attended the Stockholm meeting was arrested upon his return home and was set free only after he signed a statement denouncing the I.C.F.T.U. and the congress.

Almost every day the government-controlled newspapers, *Nuestro Diario* and *Diario de Centroamerica*, carry attacks against the O.R.I.T., the I.C.F.T.U. and their affiliates in other countries of Latin America and in the United States. Letters and packages of newspapers and literature from these organizations are systematically opened in the postoffices and often destroyed. The addressees are constantly harassed with threats and acts of violence.

A group of young professionals, led by Labor Judge Dr. Jose Garcia Bauer, organized at the end of last year a Free School of Labor Legislation and Social Philosophy. Its aims were to increase knowledge of the country's social legislation among the workers of Guatemala and to educate them to exercise their rights, free from extraneous interference. The school attempted also to teach that social problems can be solved without the curtailment of liberty.

The Communists quickly raised violent objections against the existence of such a school. The students were threatened and the few university professors who had volunteered to teach classes were immediately removed from their university positions. After a few weeks the school was forced to close its doors. Its founder, Judge Garcia Bauer, became an ex-judge.

The Training School for Labor Leadership, another cultural labor institution sponsored by Left democratic elements, was forced to discontinue its classes even though its sponsors were men who had taken part in the October, 1944, revolution and fought valiantly against the armed guards of the dictatorship. I was one of the students of this school, and I am sure that its sudden demise was caused by the insistence with which the teachers emphasized that it was the duty of future labor leaders to think independently and to lead exemplary lives. The Communist leaders obviously could not tolerate such a source of true democratic education.

The National Union of Free Workers of Guatemala was organized last year. Based on the principle of free

and independent trade unionism, it opposed government domination and interference from political parties. We advocated a type of constructive trade unionism which was in open contrast to the destructive policies of the Communists. We began to organize unions of factory workers as well as agricultural laborers. From the capital city of Guatemala our influence began to spread all over the country.

As early as September of last year—that is, as soon as the National Union of Free Workers was launched—it began to suffer harassments and persecution from the Judicial Police. This writer and his co-leaders, Ramiro Aguilar, Enrique Coronado and Miguel Angel Quiroa, were arrested under the false accusation of carrying arms. Happily, our affiliated unions reacted with an avalanche of protests and we were soon released with only a fine to pay.

**I**N January of this year the Communists renewed their offensive against the National Union of Free Workers by inviting us to take part in the second national convention of their C.G.T.G. We refused because we knew that the convention would be dominated by the Communists from the very beginning. More than that, we publicly challenged the Communists to explain how they were spending the \$10,000 monthly subsidy which they were receiving, part for the Communist Party and part for the C.G.T.G. We asked them to explain also why they were sabotaging the just demands of those unions that were outside their control, and why they were opposing the organization of agricultural workers on farms and plantations owned by high government officials or pro-Communist employers.

Such a defiance aroused the Communists to a pitch of fury. On the morning of January 25, 1954, at 10 o'clock, a band of Communists armed with machine guns assaulted our headquarters, destroyed the furniture, burned the literature we had received from the O.R.I.T. and the American Federation of Labor, stole what money they found in our safe and arrested all the leaders who were present, including this writer.

We were tortured in the most barbarous (Continued on Page 28)

# Labor NEWS BRIEFS

Members of Local 241, American Federation of State, County and Municipal Employees, have won a wage increase, one additional paid holiday and three weeks of paid vacation for ten years' service at the Peoria County Nursing Home in Peoria, Ill.

Local 2, Retail Clerks, has completed a new agreement with Graf and Cummings, St. Paul, Minn. The contract calls for a 40-hour week, wage increases of \$1 to \$1.50 a week and a number of fringe benefits.

Wage hikes have been gained for 1,700 members of Machinists' District 9 employed in the automotive repair and service industry in St. Clair and Madison Counties of Illinois.

Local 372, Bakery Workers, has signed a first contract with the Muncie Bread Company, Muncie, Ind.

Local 638, Teamsters, has obtained a 10-cent hourly wage increase at the Minneapolis *Star and Tribune*.

*The American Federation of Labor is visited frequently by South American trade unionists. At right is one group and below is another. George Meany, A. F. of L. president, and William Schnitzler, secretary, are at left in the front row of the photo below. Mr. Schnitzler also appears in the picture at right. The A. F. of L. has given strong support for many years to workers of Latin America seeking to organize free trade unions*

Local 56, Meat Cutters, has won three arbitration awards from Standard Brands, Inc., Hoboken, N. J. The awards increase rates for two operations under the health and welfare program and set aside the suspension of a Local 56 member.

Locals 148 and 162, Ladies' Garment Workers, Union City, N. J., have scored organizing victories at the Englewood Sportswear Company, Englewood, N. J., and the Dresscraft Company, Union City.

Station WCAN-TV, Milwaukee, and Local 18, Stage Employees, have negotiated and signed their first contract.

Local 44, Chemical Workers, has negotiated a contract with Reilly Tar and Chemical Company, Newark, N. J., which calls for a wage increase, an improved insurance plan and, in addition, numerous advances in the employees' working conditions.

Lodge 950 of the Machinists, St. John's, Newfoundland, has signed a working agreement with the Canadian Machinery and Industry Corporation. The accord gives the employees wage increases and other benefits.

Local 89, Teamsters, has won a representation election at the A. L. Ball Moving and Storage Company,







*These Ladies' Garment Workers Union members danced in 'Jubilee,' musical presented April 29 in the Plaza Theater, Reading, Pa.*

Louisville. The company and the union have agreed on a one-year contract which, with fringe benefits, will provide the equivalent of a 50-cent hourly increase.

Local 317, Operating Engineers, has negotiated a new contract with the Milwaukee Electric Company. The agreement provides a wage increase and an improved vacation schedule.

Local 186, Building Service Employees, has signed an agreement with the school board at Terre Haute, Ind., calling for a 10 per cent wage boost.

Local 496, Bartenders, of the Hotel and Restaurant Employees, has signed agreements with sixteen taverns in Portland, Ore., as a result of an intensive organizing drive.

Local 370, Typographical Union, has reached agreement on a wage increase with the Newspaper Printing Corporation of El Paso, Texas. The hike is retroactive to October 1.

The Machinists have won a new agreement at the Western Cotton Products Company, Phoenix, Ariz. The pact provides higher pay, paid vacations and a better vacation clause.

The Teamsters have won a smashing victory at the Los Angeles plant of Armour and Company. Drivers voted overwhelmingly for Local 626 in an N.L.R.B. representation election.

Local 520 of the Electrical Workers, Austin, Texas, has won a 12½-cent hourly wage increase, which brings the journeyman scale to \$2.87½ per hour.

Sixty thousand members of the Ladies' Garment Workers have won increases of \$3 to \$5 weekly in arbitration. About 96 per cent of the workers will get the top increase.

Wage raises and fringe benefits are provided in the first agreement between the Textile Workers and the Cloverleaf-Freeland Corporation, Hazleton, Pa.

Local 186, Upholsterers, has signed a new agreement with the International Furniture Company, Rushville, Ind., providing a wage increase of five cents an hour.

Local 139, Building Service Employees, has reached an agreement with the Tilden Store in Detroit. The contract provides that the store will employ union window cleaners only.

A first contract has been negotiated with a new Lawrence, Mass., paper-board mill by recently organized Local 651 of the Paper Makers. The agreement calls for a union shop, dues check-off, six paid holidays, a Class A mechanics' rate of \$1.80 an hour and other benefits.

Substantial wage increases are included in a new agreement between Local 47, Painters, in Indianapolis, Ind., and the Painters and Decorators Contractors Association. The brush rate is increased 10 cents an hour and the spray rate is boosted 15 cents an hour.

Local 165, Upholsterers, has signed a new agreement with the Indianapolis Chair Company, Aurora, Ind. The U.I.U. pension program and a wage increase are among the provisions of the accord.

Federal Labor Union 23021 has won a general wage increase averaging 13 cents an hour for employees of the Crown Products Company, Ralston, Nebr.

Local 507, Printing Specialties Workers, Kalamazoo, Mich., has won a pay increase, retroactive to last July, at the International Paper Company.

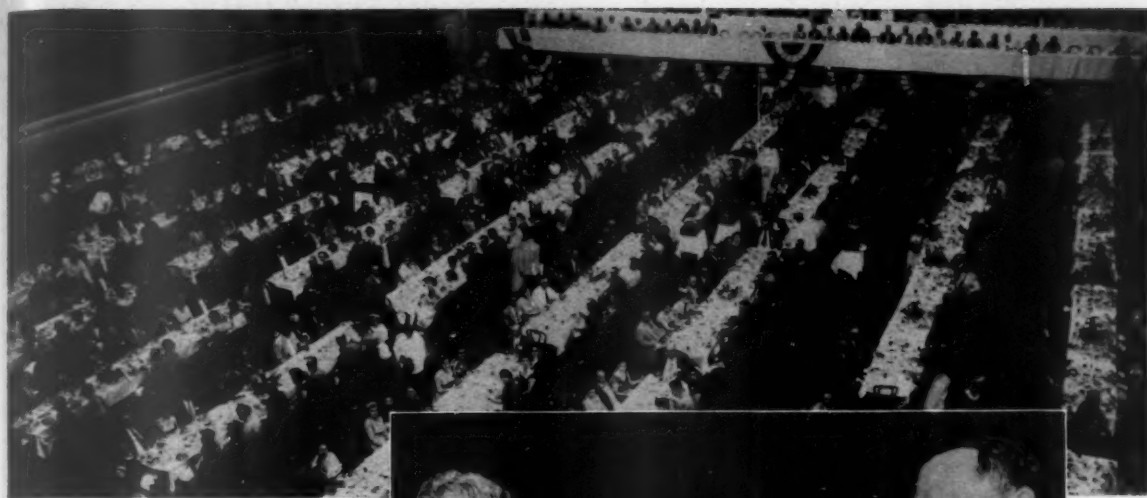
The Boilermakers have obtained an 8 per cent wage increase, which is retroactive, for 7,000 employees of the Sun Shipbuilding and Drydock Company, Chester, Pa.

Local 544, Sheet Metal Workers, has won a 12-cent hourly "package" in a new contract with Portland, Ore., area furnace manufacturers and sheet metal fabricators.

Local 351, Dining Car Employees, Chicago, has won a National [Railroad] Mediation Board election, defeating the rival group by nearly 4 to 1.

A wage increase and other contract improvements have been won by Lodge 1805, Machinists, at the Mathews Conveyor Company, Port Hope, Ontario, Canada.

Local 1245 of the Electrical Workers, San Francisco, won a substantial wage increase for more than 14,000 workers in a new agreement with the Pacific Gas and Electric Company.



Chattanooga labor went all-out for the homecoming celebration in honor of Thomas E. Dunwody, international president of the Printing Pressmen. A dinner (top picture) was the high spot of the celebration. Among many notables present was Harry E. O'Reilly (at left), A. F. of L. director of organization. Above, in usual order, Stanton Smith, president, and Charles Houk, secretary, Tennessee Federation of Labor; Brother Dunwody and Mayor Olgiati of Chattanooga.

Local 18, Building Service Employees, has gained a pay boost for all classifications in negotiations with the Building Owners and Managers Association at Oakland, Calif. Approximately 350 workers will get the higher wages.

A safety plaque denoting a year of service without a time-loss accident has been awarded by the International Harvester Company, Richmond, Calif., to Local 315 of the Teamsters.

Local 38 of the Printing Pressmen has secured wage increases and a reduction in hours at the Case-Hoyt Printing Corporation, Rochester, N. Y.

Local 414, Teamsters, and the Kroger Company, Fort Wayne, Ind., have agreed on a substantial wage increase after a one-day strike.

Local 23, Cleaners and Dyers, has obtained an increase amounting to 6 cents an hour at Oakland, Calif.

Division 517, Street and Electric Railway Employees, has negotiated a new contract with Gary Railways at Gary, Ind. The pact calls for a retroactive wage boost and an improved pension plan.

Local 1470, American Federation of State, County and Municipal Employees, has won a wage increase and two additional paid holidays in Kewaunee County, Wis.

A contract calling for \$6 weekly pay increases has been signed by Local 16 of the International Typographical Union and four Chicago daily newspapers.

Local 720, A. F. of L. Textile Workers, scored a resounding victory at the Lowenstein Lane plant in New Orleans, defeating the rival union, 820 to 364, in a representation election.

Local 48, Painters, has reached a settlement with Worcester, Mass., painting contractors which gives union members a 10-cent hourly pay increase and boosts health and welfare fund payments 2½ cents an hour.

A bus strike at Kokomo, Ind., has ended with Division 1211, Street Railway Employees, obtaining a seven-cent hourly wage increase, retroactive to March 1.

Local 657, Meat Cutters, won an NLRB representation election at the Colonial Packing Company plant at Boca Raton, Fla. The vote was 32 to 8 in favor of the union.

Local 655, Retail Clerks, has gained the 40-hour week, a cut of 2½ hours, as well as weekly wage increases of \$2.50 to \$5 in its 21st renewal with the Kroger Company in St. Louis.



**George Riley (left) of A. F. of L. and group study civil defense equipment. Second from the right is Val Peterson, FCDA's chief**

▶Local 641 of the Butcher Workmen and Local 1 of the Operating Engineers have negotiated agreements with Wilson and Company in Denver. Wages are increased and a company-paid health and welfare plan valued at 5½ cents an hour is established.

▶More than 3,200 Portland, Ore., metal trades workers are to receive wage increases and other benefits under a new agreement negotiated by the Portland Metal Trades Council with the Portland Metal Trades Association.

▶Local 182, Plumbers, of Kenosha, Wis., recently celebrated its fiftieth anniversary. Present for the observance was Ed Hartung, the local's first secretary and sole survivor of the seven charter members.

▶A first agreement has been signed by Local 301, Office Employees, Baltimore, and the Baltimore Transit Company. The accord increases salaries and effects general improvements in working conditions.

▶The Equitable Life Insurance Company, Washington, and the Insurance Agents have reached an agreement calling for an improved grievance procedure, better vacation provisions and other benefits.

▶District 9, International Association of Machinists, St. Louis, has won a cost-of-living increase at the Liggett and Myers Tobacco Company there.

▶Local 464, Dairy Employees, Vancouver, British Columbia, Canada, has signed the first master contract covering the entire industry in the area. The agreement provides wage boosts and additional days off for drivers and inside workers.

▶A \$2 weekly increase in all job classifications has been obtained by Local 143, Meat Cutters, in a new contract with food chains and large independent food stores in Portland, Ore., and vicinity.

▶Local 31 of the Textile Workers recently obtained a wage increase and additional benefits at Green Tweed and Company, North Wales, Pa.

▶In a first agreement between the Office Employees, Local 153, and the Borden Farm Products Company, New York City, all employees get a \$7.50 weekly increase. Other benefits are also provided in the accord.

▶A short strike by Local 3, Electrical Workers, at the Executone Company in New York City was settled with wage adjustments of 20 cents an hour for installers and 22½ cents an hour for servicemen.

▶Workers and other citizens of Communist Bulgaria are required to carry individual passports. No Bulgarian is permitted to leave his place of residence without obtaining a special permit from the police.

▶Local 1419, City Employees, Lincoln, Neb., has gained a 5 per cent hourly wage hike. The City Council has agreed to review the classifications and salary ranges of the municipality's classified employees.

▶Local 183 of the Sheet Metal Workers has signed a contract with sheet metal shops in West Texas and New Mexico providing a pay hike of 10 cents an hour and a welfare fund which amounts to 7½ cents an hour.

▶Federal Labor Union 24076, El Paso, Texas, has won a pay hike and fringe benefits in a new contract with the W. R. Weaver Company.

▶The Lamp and Shade Division of Local 3, Electrical Workers, New York City, recently obtained an 8½-cent retroactive increase in wages.

## Guatemala Smashes Free Unions

(Continued from Page 24)

fashion to make us "confess" that we were plotting with the international free trade union movement against the government of Guatemala. The reaction caused by our arrest was so strong that the government decided to settle our case by ordering deportation. This writer was sent to Mexico, while Ramiro Aguilar, Enrique Coronado and Miguel Angel Quiroa were deported to Honduras.

I wish to take this opportunity to state most emphatically that the National Union of Free Workers of Guatemala never had anything to do with those elements in our country

which, although opposed to the present state of affairs, follow a reactionary or pro-imperialistic orientation. We are strong partisans of the labor code, of the industrialization of our country, of the agrarian reform and of all those economic measures of social progress which a modern nation needs. However, we are strongly opposed to the submission of our fatherland to the dictates of a small group of Communists who are openly serving the interests of Soviet Russia to the detriment of the true interests of the 3,000,000 people of our country.



# What Can Unions Do?

(Continued from Page 17)

national Association of Machinists, with the Boeing Airplane Company at Wichita, Kansas.

## SAFETY AND SHOP CONDITIONS

### SECTION A. Shop Conditions

The Union shall cooperate with the Company to keep the shop in a safe, clean and sanitary condition. It is agreed by both parties that too great emphasis cannot be laid upon the need of safe working. The Company will continue to provide the best of equipment for fire and accident prevention as well as first-aid facilities and service for treatment of injuries. Rigid observance of Safety Regulations must also continue. No set of safety regulations, however, can comprehensively cover all possible unsafe practices of working. Therefore, the Union and the Company undertake to promote in every way possible the realization of the responsibility of the individual employee with regard to preventing accidents to himself or his fellow employees.

Specific provisions relating to shop conditions are listed below:

1. Emery wheels shall be kept true and in a safe condition; they shall be provided with safety glass of nonbreakable quality. Proper lights shall be provided for all grinding wheels.

2. Employees shall be protected from electric welding rays by the use of proper shields or screens.

3. Employees shall not be exposed to sand blast, paint spray guns or buffers. Employees who operate same shall be provided with proper hoods and protection for their eyes and lungs.

4. All electric switches on machines shall be located so that the operator can reach them without delay in case of an emergency. Only experienced operators shall operate all saws and machines, except in case of emergency, and then only employees under the supervision of a Company-approved employee.

5. Employees violating regulations as to shop conditions fixed in this Article shall be subject to disciplinary action.

6. The Paint Department and other departments where fumes such as cyanide, etc., are used shall be provided with proper ventilation.

7. The Plant shall be properly lighted and ventilated to insure safety for employees to properly perform their work.

8. Plant safety equipment shall be furnished where needed.

### SECTION B. Safety Committee

1. A Plant Safety Committee shall be appointed from employees, not exceeding three representing the Union and three representing the Company. The Chairmanship of this Committee shall be rotated between the Union and the Company members each quarter. The Secretary shall be chosen from the opposite group to the Chairman and shall keep minutes of all meetings.

2. The duties of the Plant Safety Committee will be to advise on matters pertaining to Company compliance with applicable

State and Municipal safety and sanitary regulations, and make appropriate recommendations for the maintenance of proper standards.

That's the clause. It is a good clause. But alone and by itself the clause won't do the job. It has to be carried out. The clause assigns responsibility by providing for the setting up of a Safety Committee. That committee must have a live and positive attitude toward safety. It must have a will to do and to act. It must act. And I understand that the Safety Committee at the Boeing Wichita plant really does act.

The basic elements of a functioning and effective safety program, which unions ought to insist upon being carried out, are the following:

►There should be a contract clause declaring the policy of safety—expressing the safety attitude, so to speak—and assigning responsibility for safety.

►Safe working conditions should be established and maintained. This, of course, is mainly management's job.

►Safety training should be established for both supervisors and workers. This is something that can and should be a cooperative job.

►Medical and first-aid systems should be provided.

►An accident record system should be set up.

►The individual workers have got to become interested and stay interested in safety. Here the union can do a powerful lot of good, can do more in many plants than the management.

In getting the worker interested in safety, we must get him interested not only in his own safety. That is often a big job in itself. There have been times when unions have run into resistance from their own members. For example, we have had workers show their reluctance to wear safety shoes, goggles or safety clothing. Workers have argued, mistakenly, that such things were not necessary, were too burdensome, that the goggles hurt the nose or caused headaches.

Sometimes we have run into the argument that wearing safety equipment somehow was sissified! That makes as much sense as saying that a flier is chicken if he takes a parachute with him. In these situations it would seem to be the responsibility of

the union to insist upon cooperation and compliance with safety rules and conditions from every individual worker.

Employers can help in the matter of safe dress by agreeing to provide at no cost to the individual worker all special items needed for safe work. An employee should not have to spend a penny of his earnings for clothes or equipment that are of no use to him except to do a job for a certain employer. That should be the employer's cost. Unions should insist upon these arrangements in their bargaining.

When the employer provides special safety equipment without cost to the employee, safety takes a big stride forward, for the employee will be more willing to make use of such equipment. Of course, it ought to go without saying that safety dress and equipment should be as good-fitting and comfortable as possible.

Another big part of the job of getting the individual worker interested in safety is getting him to think of the safety of his fellow workers. When this is achieved, the individual will at all times be safety-conscious—just as the arc welder is when, as he puts on his helmet to protect his own eyes, he simultaneously arranges a shield to protect the eyes of his fellow workers.

In the final analysis, in the exceedingly complicated and highly interdependent industrial society in which we live, safety is everybody's job, everybody's responsibility. It is a job at which everyone must work all the time, wherever we are, in the shop, in the office, in our automobiles, in the home.

We all must work together for safety, as diligently, as intelligently as possible. By working together each of us will be working for himself.

For me as a trade unionist, with my concern for the human being, the true reason for safety is summed up in a statement I read on a safety poster when I was working at Cleveland, Mississippi, in 1926. The statement was:

"Your life is the most important life that has ever been lived—as far as you are concerned."

BUY A  
BUDDY  
POPPY

## Inside Big Business

Theodore K. Quinn's autobiography is an effective exposé of Big Business by one who has known it from the inside.\*

Strictly as an autobiography, the book makes fascinating reading. Quinn is one of those rare individuals who came from a militant trade union family and climbed to the top rung on the Big Business ladder but never lost touch with the needs and aspirations of workers. In fact, he resigned from the vice-presidency of General Electric at a time when he had been informed that he was next in line to be president of the corporation, because he felt that if he continued to serve the interests of Big Business he would destroy his bond with the common people.

On the basis of his own intimate knowledge of the operations of Big Business, Quinn describes in detail how the giant monopolies have been able to reach the heights of economic power and to maintain their positions of complete dominance. He points out the complete dependence of small firms on their giant "big brothers."

Emphasizing the perilous position of small companies in their relationships with the largest corporations, Quinn says: " . . . the hard fact is that any and every small business in the country can exist only so long as monster corporations choose not to enter the competition and undersell them. . . . Hundreds of thousands of allegedly free American businesses live, therefore, by sufferance of a few giant corporations, which could wipe them out at will."

\* *Giant Business: Threat to Democracy—The Autobiography of an Insider.* By Theodore K. Quinn. Exposition Press, New York. 321 pages.

Quinn asserts that in the twenty-four years during which he was associated with General Electric, it always had an effective control of the nation's electric light business. Quinn believes the anti-trust laws have been ineffective in dealing with the large monopolies because the Department of Justice has never had sufficient funds to do an effective job. The high-price corporation lawyers who devote their lives to discovery of "legal" methods for the large corporations to evade these laws are simply too much for the understaffed Anti-Trust Division of the Justice Department.

The author effectively explodes the myth of the superior efficiency and business ability of the largest corporations. He points out that it is the superior prestige and competitive advantage of these giant firms which permits them to dominate and supplant the smaller companies. In fact, it is Quinn's opinion that "many a president in commerce and industry couldn't successfully operate a second-class grocery store." He believes that it is the medium-sized companies which are the most efficient and that from the standpoint of economic progress the acquisition of these middle-sized firms by the large corporations has detracted from, rather than added to, the over-all efficiency of the economy. Quinn says: "Efficiency, narrowly defined, is an inside plant attainment, not one of combining many plants only for purposes of financial control."

The author's major solutions to the problem of economic concentration are more regulation, including federal incorporation of interstate business, and the breaking up of interlocking directorates. He also wants

to see the regulatory agencies of the government, which have always been handicapped by lack of sufficient funds, strengthened in order to match the huge resources at the command of the monopolies.

Quinn shows understanding of the fundamental economic problems of the nation. He emphasizes the importance of a widespread distribution of purchasing power in order to maintain a prosperous economy. Commenting on this point, he says: "The place to look for the danger of future depressions is in the mass consumers' purchasing power and depreciated savings."

This is a book that pulls no punches. Having broken his own ties with Big Business some twenty years ago, the author feels he has nothing to fear from revealing what he knows about the giant monopolies. It is a book that is highly revealing and easily read.

Probably due to the intense zeal which the author displays in expounding his own philosophy, the book tends to be somewhat repetitious, but it is valuable for its perceptive approach to some of the most perplexing economic and political problems of our time. The reader does not have to agree with everything that the author says to realize his genuine sincerity and his devotion to the common welfare of the entire nation and indeed of the whole world.

Some readers, including this reviewer, may be in more basic agreement with the author's criticisms of Big Business than with his political and economic solutions. Regardless of any such disagreements, the author presents us with a fundamental challenge which we must accept if we are to preserve and strengthen the fundamental democratic principles upon which this nation was founded.

BERT SEIDMAN.

## Who Is the Arbitrator?

(Continued from Page 9)

a prominent lawyer in Philadelphia who for years was an arbitrator. Now a partner in a law firm, he represents employers against unions. Many a union has had its brains beaten out by this gentleman. Of course, he does that only on weekdays. On the Sabbath he atones; he acts as arbitrator for other unions.

I have had occasion to meet with this gentleman where he represented employers. He represented his clients unstintingly. He gave both the best and the worst of himself. This same lawyer has appeared on several occasions on lists of arbitrators in disputes where I was involved.

I do not believe that the person who holds himself out as an advocate for an employer or for a union ought to act contemporaneously as an arbitrator.

The arbitrator must have the confidence of both the employer and the union. His philosophy must be such that he is able to weigh and evaluate and discount and resolve and merge the respective conten-

tions of the parties. How can he do that when he recognizes a kinship with one or the other?

The arbitrator must not only have the confidence of the labor union and the employer, but the members of the union and the members of the company must repose faith in his integrity.

Conceive of a situation where an employe has been working for the company for sixteen years. He is fired. It is a serious matter. This employe knows no other work. He has acquired certain skills and certain habits. His wife and his children think of him as being identified with that company and with that craft.

The arbitrator has it in his power to restore him to his job and have his family resume its normal social status, or he may send him out into an industrial wilderness. The arbitrator sustains the discharge.

To the advocate-arbitrator the entire matter is one consisting of a few facts, some legal principles and the application of

"cold, hard logic." He does not consider nor is he aware of the more significant circumstances—those circumstances which go to the heart of employe security and collective bargaining.

A true arbitrator takes cognizance of the many intangibles which, in importance, transcend considerations of "cold, hard logic." His awards are guided by cognizance of their effect on and relationship to the many psychological and socio-economic factors involved.

On the other hand, the mongrel arbitrator does not predicate his conduct upon the basic considerations—and the results are often disastrous. Later the worker learns that the arbitrator is the attorney for the company and is on friendly terms with his erstwhile employer! Imagine the consternation, the feeling of horror and outrage.

Probably the most difficult part of the arbitration process is the fact that in many instances one side or the other feels that it has been let down. The principals entering the arbitration room both feel convinced that they are right. The arbitrator, in most instances, will decide for one and against the other.

It is imperative that the side which sustains the loss should feel convinced that the arbitrator had no sinister motive in deciding the way he did. The losing side may question the arbitrator's judgment—never his integrity. Being a partisan advocate on Monday and an arbitrator on Wednesday invariably places the arbitrator in a vulnerable position.

The arbitration process is probably one of the major developments in our industrial democracy. Voluntary arbitration is the creature of the parties. The parties say that they are unable to agree and so will call in a knowledgeable and honest person to resolve their differences. Imagine this knowledgeable and honest person being transformed into an ally of the employer or, as sometimes happens, the union. The arbitration process suffers and with it suffers a medium for the peaceful resolution of industrial disputes.

One argument is advanced in favor of this cockeyed technique. It is claimed that these "fellows," i.e., employer or union representatives, are unable to earn a livelihood and therefore we ought to support them by

providing them with some arbitration cases. This is a preposterous notion. If an employer's attorney is broke, it is up to the employer to provide him with some liquid cash. Similarly, if there is a union lawyer who is in that predicament, he ought to seek succor elsewhere. But this argument holds no water. The real problem is to provide arbitrators with a livelihood. I mean the legitimate brand of arbitrators. It is the job of labor and industry to support these men.

If they are honest, well-meaning, competent men, it is our task to find a way of paying them adequately and keeping them fully employed. Those hybrid creatures who want to represent both sides and at the same time be neutral are buzzards. They are eating into the livelihood of the arbitrators. To them it is a frolic. To the arbitrator it is the only source of income.

Arbitration marks one of the great developments in American industrial life. Let us arbitrate by all means, but let us beware of the arbitrator we select. I think the following concrete steps ought to be taken:

(1) The American Federation of Labor ought to insist that all men who are active advocates be eliminated from the lists of arbitrators. Our people are on the board of directors of the American Arbitration Association. They are identified with the Federal Mediation Service and with State Labor Departments. This point of view ought to be urged by them within these agencies. Impartial arbitrators ought to be impartial.

(2) The agencies ought to make a full disclosure of a man's background when he is nominated as an arbitrator. They should give not only his past but what and who his present clients and associations are.

(3) The National Academy of Arbitrators (the arbitrators' union) ought to exclude from membership any member who is an advocate—not one who has been but who is now an advocate.

(4) Last but not least, if these men will look into their own souls and consciences and appreciate the damage that they are doing, they will gracefully disqualify themselves.

## Memphis Labor

(Continued from Page 11)

ing the race. Judge Mitchell from East Tennessee wound up as the Crump machine's candidate. Congressman Kefauver announced that he would run for the Senate as a non machine candidate. The first test for labor shaped up in the primary election in August, 1948.

Many a Tennessee contest in the past had been decided for the machine candidate when Shelby County returns would come in with 50,000 and 60,000 majorities, leaving the opposition candidate with 2,000 to 5,000 votes. An opposition candidate could lead by a wide margin in the rest of the state, but when the Shelby County votes were in he was snowed under.

Labor in Tennessee played an important role in the 1948 Senatorial election. Labor worked with little or no publicity in getting members prepared to vote. In Shelby County the machine controlled the polls, but union members by the score worked as poll watchers. That service was of the greatest value.

On Election Day union members of all organizations were present in every polling place in the county, acting as poll watchers. In some instances the professional election officials attempted to eject the poll watchers when the vote was being counted. The poll-watching unionists firmly stood their ground. They refused to be bullied or

coerced. With copies of the election laws in their hands and with notebooks and pencils, they recorded the name of every voter as he voted.

That election demonstrated that the Memphis labor movement could be free and independent of any political faction. It proved that if labor can find good candidates who are acceptable to the liberal segment of our population and to trade unionists, candidates friendly to labor can be elected in Tennessee.

Memphis labor is now carrying on the necessary month-to-month work of Labor's League for Political Education. Labor is trying to build solidly for the future by a continuing program of membership registration, by wards and precincts, so that the political arm of the Memphis Trades and Labor Council will be ready when the need again rises.

FOR THE UNADULTERATED TRUTH

# FRANK EDWARDS AND THE NEWS

NIGHTLY ON MUTUAL



# WHAT THEY SAY

**William L. McFetridge, president, Building Service Employees International Union—**



Corn grows in Iowa, cotton in Arkansas, wheat on the prairies, but none of these crops is raised without care and attention and cultivation. It seems to me that the role of leadership in a labor organization is the same as that of the raiser of these crops. He must plant what will grow in a particular soil, and he must give the living, growing plants his care and attention. Without that, there will be more weeds than crops to harvest. In our Building Service Employees International Union, I like to think that we have gone a long way from the old concept of leadership that tried to high-pressure or force-feed the building of strength. With the international union seeking to provide facts and suggestions and help, local leaders try to encourage sound and healthy growth of the local unions as living, breathing, growing entities. Thomas Jefferson once wrote, to DuPont de Nemours, "We both love the people, but you love them as infants whom you are afraid to trust without nurses, and I love them as adults whom I freely leave to self-government." Jefferson's idea is one to which our organization seeks to remain faithful. To train leaders is to help men to think and decide and do for themselves, in or out of times of emergency. For there is no one pattern or blueprint into which all local union activities and programs can be fitted. Unions are not bricks to be cemented into a building, girders to be riveted into a bridge or stones to be pounded into a roadbed. They are living things, each a little different from any other and all needing some attention and care if they are to reach full growth and development. We've never believed in an organization in which everyone was to do everything in the same way at the same time. Standardization in bookkeeping and similar procedures

is necessary. However, it is by encouraging each local union to work out its own problems in its own way, with shared ideals, common laws and agreed-upon standards, that we can best keep our organization something that will live and grow and develop long after we ourselves are no longer around.

**William E. Maloney, president, International Union of Operating Engineers—**



In our national development, the waterways of the country played a major role. Early America moved its cotton and corn and manufactured goods chiefly by water. Lately, however, we have been given reason to wonder if this great means of transportation is not being neglected. We are skimping on our budget for improvement and expansion of our harbors. Important projects for developing channels and navigable streams have been postponed for economy reasons. Many of our great rivers have not even been touched insofar as navigation improvement is concerned. Many other established waterways are being sharply limited in their capabilities for service for lack of canals and channels which would connect them to other waterway facilities. One reason for our failure to spur development of the waterways is believed to be an unawareness among Americans of the value of such transportation. The ordinary citizen sees the big trucks, the fast-moving trains and the gleaming airliners. He associates them with the drama of transportation. But few are given the chance to see a steamer chugging serenely down the river or a string of oil-laden barges being towed by a chugging tugboat. Many areas of the nation still are crying for industrial development. In a number, development of waterways could be the spark which would start new industries, create new jobs and markets. With the talk about need for moving public works pro-

grams into action, government planners should give serious thought to allocating more funds to improving our harbors, channels and other navigational facilities. The average citizen cannot see it from his front yard, but every dollar invested in building a better waterways network is an investment in efficient transportation and the industrial well-being of the entire nation.

**Peter Henle, assistant research director, A. F. of L.—**



Americans are investing heavily in the future of their country. Their most serious investment takes the form of almost 4,000,000 babies a year. Today's confidence contrasts sharply with the gloom of yesteryear. The 1953 birth rate, for example, is almost 50 per cent higher than the exceedingly low rates that prevailed during the depths of the depression in the 1930s. A significant part of the increase comes from families who are having their third or fourth child. The effects of the postwar birth rates move like a wave throughout the economy. First the baby carriage, bottle warmer and toy trades are affected. Then the schools begin to feel the pinch of an expanding population, starting with the elementary units and working through the high schools and colleges. Eventually, the high birth rate will mean an increased demand for all types of goods, even wheelchairs and caskets. If this last sounds too gloomy, we can find encouragement in recently issued figures showing America's death rates. The 1953 death rate was as low as that for any previous year, while the recently published monthly data indicate that deaths during December, 1953, were the lowest for any December on record. Particularly encouraging is the fact that infant mortality is at a new low. These statistics provide a good shot in the arm for those who wonder whether the American people still have confidence in themselves and in their country.

The American Federation of Labor does not accept paid advertising in any of its official publications. No one is authorized to solicit advertising for any publication in the name of the American Federation of Labor.

# GIRL GRADUATE

MR. SMITH was unhappy.

"Isn't there a chair anywhere in the whole house a man can sit on?" he asked.

"Try the front porch," said his wife. "It's nice out there, and there's still adequate light so you can read the paper."

"If I read fast enough," grumbled Mr. Smith, pushing open the screen.

"Poor Daddy." She started to fold some of the yards of nylon net that floated all over the place. "Dinner will be ready in a few minutes, George. If you see Ruthie across the street at Julia's, will you call her home, please?"

She passed into the kitchen and busied herself with the familiar tasks of getting the food on the stove. While the things were cooking, Mrs. Smith tackled the dining room table, which held a mass of sewing materials, patterns, scraps of bright tulle and threads. All the things that were being used to turn the daughter of the house from a sweater-and-skirt, bobby-sox teen-ager into a mystifying princess. She glanced around for a place to put her collection, and finally deposited it on a davenport already overflowing with taffeta and net.

Ruthie's cheery greeting to her father as she came up on the porch brought a smile to his face.

"Your mother needs a little help," he told the girl. "Go in and try to get enough chairs uncovered so we can at least sit down to eat our dinner."

Ruthie went inside.

"It's a good thing Daddy's a patient soul," she remarked to her mother. "Most men would be put out by all this fuss and bother, I guess."

Turning the chops in the pan, Mrs. Smith said:

"Most men would be as proud of their girl graduate as your father is of you. They must realize this clothes business goes along with all the rest of the end of school. How is Julia's dress coming along?"

"About like mine, Mother. She looks lovely in blue, but I'm glad I chose the angel pink. This dress is going to be the most heavenly of any I've ever, ever had, I think."

"Oh, Mom!" called Bob from the basement. "I'm going to take a

shower down here. Ask Ruthie to pitch me some clean clothes, will you, please? I'm all over mud and—"

Anything further he may have said was drowned out by the rush of water in the basement shower stall.

"What's come over Bob?" asked Ruthie.

"Maybe he remembers the scolding I gave him this noon when he came in and tossed his sweater and books on your dress slip. Better get him some clothes from his drawer. Shorts, socks and some clean slacks."

"Oh, Mother! Just think! In another week everything will be all ready for the Prom, the class play, the picnic and then graduation itself."

"Yes, and then perhaps I can get the house in order again. Call Daddy. He must be very hungry by now."

The evening meal was delicious and the appetites of the family were in their usual good form.

"But, Mother, I can't eat all this good stuff," moaned Ruthie. "I just have to get into my dress, and if I gain even an ounce it won't fit right."

"Nonsense," said Mrs. Smith, serving her some vegetables. "You eat your dinner."

"You sound as if I was still in kindergarten," said Ruthie, pouting a little, as she took her plate from him. "I do have to be careful."

"You know, Dad, she thinks she has to look like a cherry blossom floating on the breeze," said Bob as he gave himself a second huge helping of creamed potatoes. "Glad I'm a boy."

"Well, I'd hate to have to alter my dress before I even wear it. I think we can finish it tonight, don't you, Mother?"

"To be quite honest, Ruthie, I've about finished working for today. You and Bob do the dishes and slick up the kitchen. Dad and I are going for a little ride."

"That's right, kids," said Mr. Smith. "Give Mother a break. And please, Ruthie, carry some of that stuff up to your own room so we can get into the living room when we come back."

"Yes, dear," said his wife softly. "The pink dress on the hanger and the white one can go up. Fold the tulle gently. Don't crease it. Put it on the chest in your room. We'll fit the tulle

skirts over the taffeta in the morning."

As George Smith and his wife rode along in companionable silence, they relaxed. They were enjoying the pleasant drive through the park. After a while Mrs. Smith cleared her throat.

"A penny for your thoughts," she said.

"Even exchange for yours," he replied, guiding the car along the road beside the stream.

"I was thinking it hardly seems possible our little girl is a graduate, and Bob will be through in only two more years."

"I was musing along those same lines," said her husband. "I was going over in my mind about how it is possible for them to go to school. You know, fifty years ago it was more usual for a youngster to quit school and go to work than for him to finish his course. And a young girl was unusually fortunate to finish high school. I think our public school system of today is a wonderful boon to our children."

"I agree with you completely on that, George. And, you know, I often remember how my father used to talk about his own youth. Daddy would often tell us that it was the work of the American Federation of Labor and the courage and dogged persistence of the trade unionists that made the free public schools possible."

"That's the truth. The foresight of the working man reaching out to better his life and his children's life did more for the establishment of the free schools in America than any other force. And it was the labor movement that pressed through state regulations and child labor laws, the compulsory school-attendance laws and the other legal means by which children can and do get an education as a matter of course now. It's a lot to be thankful for, and I'm right proud our family is a trade union family and always has been."

"So am I, George. Well, do you think we'd better be turning back? I think I can finish the hem in the graduation dress this evening. I'm so proud and happy over Ruthie."

"We're proud of both the kids," said Daddy Smith. "But this time especially proud of our girl graduate."



Whenever you spend your money  
be sure to INSIST upon

**UNION LABELS**